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Supreme Court of the United States

October Term, 1979.

No. 79-669.

DAWSON CHEMICAL COMPANY,
CRYSTAL MANUFACTURING CORPORATION, and
CRYSTAL CHEMICAL COMPANY,

Petitioners,

v.

ROHM AND HAAS COMPANY,

Respondent.

On Writ of Certiorari to the United States Court of Appeals for the Fifth Circuit.

BRIEF FOR THE RESPONDENT, ROHM AND HAAS COMPANY.

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INDEX TO BRIEF.

	Page
OPINIONS BELOW	1
JURISDICTION	2
CONSTITUTIONAL AND STATUTORY PROVISIONS INVOLVED	2
QUESTION PRESENTED	4
STATEMENT	4
A. The Complaint	4
B. Propanil—An Unpatented, Nonstaple Article	5
C. Respondent Rohm and Haas' Sale of Propanil	6
D. Defendant-Petitioners' Activities in the Sale of Propanil	7
E. The District Court Decision	8
F. The Court of Appeals Decision	8
SUMMARY OF ARGUMENT	9
ARGUMENT	14
Introductory	14
I. On the Very Face of the 1952 Patent Act, Since Respondent Rohm and Haas' Activities Are Limited to Nonstaples, They Are Within the Statutory Exceptions to the Misuse Doctrine in 35 U. S. C. § 271(d)	15
II. The History of 35 U. S. C. § 271(d) Confirms That It Exempts Respondent From Patent Misuse	18
A. The Decisional History	18
B. The Legislative History	26
1. *H. R. 5988—The 1948 Hearings*	30
2. *H. R. 3866—The 1949 Hearings*	34
3. *H. R. 3760, Section 231—The 1951 Hearings*	37
4. *Rebuttal of Petitioners' Arguments on Legislative Intent*	43

INDEX TO BRIEF (Continued).

	Page
III. In Passing Section 271, Congress Rejected Petitioners' Basic Argument That the Patent Right in Contributory Infringement Situations Is Defined by the Literal Scope of the Patent Claims; Activity Expressly Sanctioned by § 271 Cannot Be Tying ...	46
IV. Since Compulsory Licensing Has Never Been a Substantive Requirement of the Patent Laws or the Antitrust Laws, Respondent Has Not Committed Patent Misuse by Declining to Grant Express Licenses	51
V. There Is No Conflict Between the Decision Below and the Cases Decided Since Passage of the 1952 Patent Act	54
VI. The Decision Below Is Consistent With Sound Public Policy; It Fosters Innovation in an Important Class of Inventions While Taking Nothing From the Public	59
CONCLUSION	63
APPENDIX A	65
APPENDIX B	67
APPENDIX C	69
APPENDIX D	70

TABLE OF CITATIONS.

Cases:	Page
Adams v. Burks, 84 U. S. (17 Wall.) 453 (1873)	14
Ansul Company v. Uniroyal, Inc., 306 F. Supp. 541 (S. D. N. Y. 1969), aff'd 448 F. 2d 872 (2d Cir. 1971)	59
Aro Manufacturing Co. v. Convertible Top Replacement Co., 365 U. S. 336 (1961) (Aro I) 54, 55, 56, 57	
Aro Manufacturing Co. v. Convertible Top Replacement Co., 377 U. S. 476 (1964) (Aro II) 14, 54, 55, 56, 57, 58	
Automatic Radio Mfg. Co. v. Hazeltine Research, 339 U. S. 827 (1950)	49
B. B. Chemical Co. v. Ellis, 314 U. S. 495 (1942) 23, 46	
Blonder-Tongue Labs, Inc. v. University of Ill. Foundation, 402 U. S. 313 (1971)	58
Carbice Corp. of America v. American Patents Dev. Corp., 283 U. S. 27 (1931) 22, 46	
Cataphote Corp. v. DeSoto Chemical Coatings, Inc., 450 F. 2d 769 (9th Cir. 1971), cert. den. 408 U. S. 929 (1972)	51
Continental Paper Bag Co. v. Eastern Paper Bag Co., 210 U. S. 405 (1908) 51, 54	
Deepsouth Packing Co. v. Laitram Corp., 406 U. S. 518 (1972) 43, 58	
Dehydrating Process Co. v. A. O. Smith Corp., 292 F. 2d 653 (1st Cir. 1961), cert denied 368 U. S. 931 (1961)	49
Ernst & Ernst v. Hochfelder, 425 U. S. 185 (1976), reh. den. 425 U. S. 986 (1976)	29
Federal Energy Administration v. Algonquin SNG, Inc., 426 U. S. 548 (1976) 29, 44	
First National Bank of Logan, Utah v. Walker Bank and Trust Company, 385 U. S. 252, reh. den. 385 U. S. 1032 (1967)	45
Fortner Enterprises, Inc. v. United States Steel Corp., 394 U. S. 495 (1969) (Fortner I)	48
Henry v. A. B. Dick Co., 224 U. S. 1 (1912) 20, 21	
Leeds & Catlin Co. v. Victor Talking Machine Co., 213 U. S. 325 (1909) 20, 21, 24	
Leitch Mfg. Co. v. Barber Co., 302 U. S. 458 (1938)	23

TABLE OF CITATIONS (Continued).

Cases (Continued): Page

McCullough Tool Company v. Well Surveys, Inc., 343 F. 2d 381 (10th Cir. 1965) 48, 59
Mercoid Corp. v. Mid-Continent Investment Co., 320 U. S. 661 (1944) 9, 10, 11, 20, 21, 22, 23, 24, 25, 26, 34, 36, 38, 44, 46, 58, 63
Mercoid Corp. v. Minneapolis-Honeywell Regulator Co., 320 U. S. 680 (1944) 9, 10, 11, 20, 21, 22, 23, 24, 25, 26, 34, 38, 39, 44, 46, 58, 63
Monsanto Company v. Rohm and Haas Company, 312 F. Supp. 778 (E. D. Pa. 1970), aff'd 456 F. 2d 592 (3rd Cir.), cert. den. 407 U. S. 934 (1972) 5
Morton Salt Co. v. G. S. Suppiger Co., 314 U. S. 488 (1942) .. 23, 46
Motion Picture Patents Co. v. Universal Film Mfg. Co., 243 U. S. 502 (1917) 22, 46
National Foam Systems, Inc. v. Urquhart, 202 F. 2d 659 (3rd Cir. 1953) 59
Northern Pacific v. United States, 356 U. S. 1 (1958) 48
Preformed Line Products Co. v. Fanner Mfg. Co., 328 F. 2d 265 (6th Cir. 1964) 59
Rohm and Haas v. Roberts Chemicals, 245 F. 2d 693 (4th Cir. 1957) 53
Schwegmann Bros. v. Calvert Distillers Corp., 341 U. S. 384 (1951), reh. den. 341 U. S. 956 (1951) 29, 44
Synder v. Bunnell, 29 F. 47 (C. C. S. D. N. Y. 1886) 19
State of Arizona v. State of California, 373 U. S. 546 (1963) 45
Transcontinental & Western Air, Inc. v. Civil Aeronautics Board, 336 U. S. 601 (1949) 29, 30, 44
United States v. Enmons, 410 U. S. 396 (1973) 29, 44
United States v. Fortner Enterprises, 429 U. S. 610 (1977) (Fortner II) 49
United States v. International Union United Automobile, Aircraft and Agricultural Implement Workers of America, 352 U. S. 567 (1957), reh. den. 353 U. S. 943 (1957) ... 30

TABLE OF CITATIONS (Continued).

Cases (Continued): Page

United States v. Jerrold Electronics Corporation, 187 F. Supp. 545 (E. D. Pa. 1960), aff'd 365 U. S. 567 (1961) 49
United States v. Loew's Inc., 371 U. S. 38 (1962) 48, 58
United States v. Univis Lens Co., 316 U. S. 241 (1942) 14
United States v. Zacks, 375 U. S. 59 (1963) 29
Wallace v. Holmes, 29 Fed. Cas. No. 17,100 (C. C., D. Conn. 1871) 19, 63
Zenith Radio Corp. v. Hazeltine Research, Inc., 395 U. S. 100 (1969) 49, 58

Statutes:

Clayton Act, Section 3 21
Constitution of the United States, Article I, Section 8, Clause 8 ..... 2, 11
28 U. S. C. § 1254(1) 2
35 U. S. C.:
Generally 3, 9, 14, 15, 18, 26, 64
Section 100(b) 3, 9, 15, 53, 54, 63
Section 101 47
Section 112 47
Section 154 ..... 3, 9, 47, 52, 54
Section 271 .. 2, 10, 11, 13, 21, 23, 24, 25, 26, 27, 28, 29, 30, 35, 36, 40, 43, 44, 45, 46, 47, 51, 52, 53, 59, 60, 62, 63
Section 271(a) 15, 43, 58
Section 271(b) 9, 15, 44, 49
Section 271(c) 9, 10, 11, 15, 16, 18, 19, 26, 34, 40, 42, 44, 49, 54, 58, 61, 63
Section 271(d) .. 4, 9, 10, 11, 12, 13, 15, 16, 17, 18, 19, 26, 31, 33, 34, 36, 37, 40, 41, 42, 44, 49, 52, 54, 58, 62, 63
Section 271(d)(1) 12, 16, 17, 39, 49, 50
Section 271(d)(2) 12, 17, 18, 37, 39, 50
Section 271(d)(3) 12, 17, 18, 39, 49, 50, 52

TABLE OF CITATIONS (Continued).

Miscellaneous: Page

Committee Report to Accompany H. R. 7794, House Report No. 1923, 82d Congress, 2d Session, May 12, 1952 27

Congressional Record, Vol. 98, No. 120, July 4, 1952 27

Federico, Commentary on the New Patent Act, 35 U. S. C. A. p. 54 .....43, 44

Hearings on H. R. 5988, H. R. 4061 and H. R. 5248, Subcommittee on Patents, Trademarks and Copyright of The House Committee on The Judiciary, 80th Congress 2d Sess. 1948 (6036)—("1948 Hearings") .....28, 30, et seq.

H. R. 5988, Section 5 .....27, 33, 38

Hearings on H. R. 3866, Subcommittee No. 4 of The House Committee on The Judiciary, 81st Congress, 1st Sess. 1949 (6734)—("1949 Hearings") .....25, 27, 28, 34, et seq.

Hearings on H. R. 3760, Subcommittee No. 3 of The House Committee on The Judiciary, 82d Congress, 1st Sess. 1951 (7493)—("1951 Hearings") .....28, 29, 37, et seq.

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OCTOBER TERM, 1979.

No. 79-669.

DAWSON CHEMICAL COMPANY, CRYSTAL MANUFACTURING CORPORATION, and CRYSTAL CHEMICAL COMPANY,

Petitioners,

v.

ROHM AND HAAS COMPANY,

Respondent.

ON WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FIFTH CIRCUIT.

BRIEF FOR THE RESPONDENT, ROHM AND HAAS COMPANY.

OPINIONS BELOW.

The opinion of the United States District Court for the Southern District of Texas on cross-motions for summary judgment (A. 67-110) is reported at 191 USPQ 691, and its Supplemental Opinion (A. 122-134) is unreported. The opinion of the Fifth Circuit Court of Appeals reversing the District Court (A. 139-182) is reported at 599 F. 2d 685.

JURISDICTION.

The opinion and judgment below were entered on July 30, 1979. The petition for a writ of certiorari was filed on October 24, 1979. It was granted on January 7, 1980. The jurisdiction of this Court is invoked under 28 U. S. C. § 1254(1).

CONSTITUTIONAL AND STATUTORY PROVISIONS INVOLVED.

Constitution of the United States, Article I, Section 8, Clause 8:

> The Congress shall have power . . .
>
> To promote the Progress of Science and useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries.

The petition primarily involves the construction of certain provisions of the 1952 Patent Act relative to active inducement of infringement, contributory infringement and patent misuse, 35 U. S. C. § 271:

> SECTION 271. *Infringement of patent*
>
> (a) Except as otherwise provided in this title, whoever without authority makes, uses or sells any patented invention, within the United States during the term of the patent therefor, infringes the patent.
>
> (b) Whoever actively induces infringement of a patent shall be liable as an infringer.
>
> (c) Whoever sells a component of a patented machine, manufacture, combination or composition, or a material or apparatus for use in practicing a patented process, constituting a material part of the invention, knowing the same to be especially made or especially adapted for use in an infringement of such patent, and not a staple article or commodity of commerce suitable for substantial noninfringing use, shall be liable as a contributory infringer.
>
> (d) No patent owner otherwise entitled to relief for infringement or contributory infringement of a patent shall be denied relief or deemed guilty of misuse or illegal extension of the patent right by reason of his having done one or more of the following: (1) derived revenue from acts which if performed by another without his consent would constitute contributory infringement of the patent; (2) licensed or authorized another to perform acts which if performed without his consent would constitute contributory infringement of the patent; (3) sought to enforce his patent rights against infringement or contributory infringement.

Other sections of Title 35, United States Code:

> SECTION 100. *Definitions*
>
> * * * (b) The term "process" means process, art or method, and includes a new use of a known process, machine, manufacture, composition of matter, or material.
>
> SECTION 154. *Contents and term of patent*
>
> Every patent shall contain a short title of the invention and a grant to the patentee, his heirs or assigns, for the term of seventeen years, subject to the payment of issue fees as provided for in this title, of the right to exclude others from making, using, or selling the invention throughout the United States,

referring to the specification for the particulars thereof. A copy of the specification and drawings shall be annexed to the patent and be a part thereof.

QUESTION PRESENTED.

Whether § 271(d) of the 1952 Patent Act, by its express language and as interpreted in light of its legislative history, requires that the respondent owner of a process patent who:

> (a) sells an unpatented, nonstaple chemical that is material and essential to practicing the patented process and has no other commercial use, and
>
> (b) brings an action for active inducement of infringement and for contributory infringement against the unlicensed defendant-petitioners, who admittedly sell the same nonstaple chemical with instructions for infringing the patent to others who in fact infringe,

must submit to compulsory licensing of its patent in order to avoid misuse or an illegal extension of the patent right?

STATEMENT.

A. The Complaint.

Rohm and Haas' amended complant (A. 1-7) charged defendants, petitioners herein, with contributorily infringing and actively inducing their customers to infringe its United States Patent No. 3,816,092 (hereinafter the "Wilson patent"). This patent (Exhibits Appendix 1-5) describes and claims a method of applying a chemical compound, 3,4-dichloropropionanilide (hereinafter "propanil"), to weeds and established crops such as rice so as to inhibit selectively the growth of the weeds without adversely affecting the crop.

B. Propanil—An Unpatented, Nonstaple Article.

Propanil, the essential ingredient of the patented method, is used in the patented process by area-wide spraying over both the crops and weeds, for it is a selective (destroys weeds without harming crops), post-emergence (applied after plants have emerged from the soil) herbicide. Propanil itself is not patented. It was a useless laboratory curiosity for at least fifty years until Rohm and Haas made the invention in suit, which for the first time employed propanil to the benefit of the public. Rohm and Haas' invention was a major contribution to agricultural science. Propanil has virtually eliminated the need for hand weeding and deep water flooding of rice, enabling growers to operate more efficiently and at substantially reduced costs. Consequently, rice is made available to consumers in greater abundance and at prices lower than would otherwise be possible.

Propanil itself was held to be unpatentable in *Monsanto Company v. Rohm and Haas Company,* 312 F. Supp. 778 (E. D. Pa. 1970), *aff'd* 456 F. 2d 592 (3rd Cir.), *cert. den.* 407 U. S. 934 (1972), in which Monsanto's product patent on propanil was held invalid. In invalidating Monsanto's patent, the court found that propanil had been implicitly described by publications dated as early as 1902, but it further held that the use of propanil as a selective post-emergence herbicide "was not revealed or in any way suggested in the prior art" (312 F. Supp. 801, finding 49). Plainly, the Department of Justice is in error in asserting that propanil was "invented" by Monsanto in 1954-55 and implying that the claimed herbicidal activity was discovered by Monsanto (JB 2-3 note 1).[1]

1. "JB" followed by a page number refers to the Justice Department's brief, an uncorrected page proof of which was served February 29, 1980, eight days after it was required to be filed by the Rules of this Court. The brief itself was not filed until March

The court below held that propanil is not a staple article or commodity of commerce and that it has no substantial noninfringing uses (A. 140-141). As defined by law, "staple" means a commodity or product with substantial uses apart from the patented invention, and "nonstaple" denotes a product lacking substantial uses other than infringing uses (A. 141-142). Petitioners admit that propanil is a nonstaple (see e.g., petition for certiorari, pp. 2, 6; and PB 6).

Because there was no prior commercial use or manufacture of propanil and it was of no benefit to mankind, Rohm and Haas' invention created a market for this useless laboratory curiosity and was of great benefit to rice farmers and the public generally. It also spawned imitation by petitioners, who promptly capitalized on Rohm and Haas' costly and extensive research efforts and invention without having exerted a whit of inventive activity on their own. Similarly, petitioners spent no funds in obtaining the requisite government approval to sell propanil. They merely notified the United States Department of Agriculture that they wished to rely on the Rohm and Haas data and were permitted to do so without expense or effort.

C. Respondent Rohm and Haas' Sale of Propanil.

Rohm and Haas manufactures propanil and sells it in containers bearing instructions for utilizing it in performing the process of the Wilson patent. By operation of law, as found by the court below (A. 140, 176-177) and

1. (Cont'd.)
4, 1980. The Wilson patent issued to Rohm and Haas as the result of an interference proceeding between Rohm and Haas and Monsanto (Huffman) in which the Patent Office decided that Wilson (not Huffman) was the first inventor of the process claimed; "PB" followed by a page number refers to Petitioners' Brief on the merits filed February 20, 1980.

as conceded by petitioners (PB 5), purchasers from Rohm and Haas thus acquire the right to use propanil in the patented method. Rohm and Haas has not offered or granted any express license to anyone as the brief of the Justice Department seeks to imply (e.g., JB 6, 14). It has never received any payment for propanil other than the purchase price from its customers. All such Rohm and Haas propanil is employed in the method of the Wilson patent to control weeds in crops (A. 143).

D. Defendant-Petitioners' Activities in the Sale of Propanil.

The original Wilson patent application was filed in 1958 and petitioners became aware of the application at least as early as 1968 (A. 24). Knowing of Rohm and Haas' sales of propanil as a selective, post-emergence herbicide and the publicity surrounding the Wilson invention, petitioners commenced the manufacture and sale of propanil. They sold propanil for the now patented use while the Wilson patent application was pending, a period in which petitioners could profit from respondent's invention yet incur no liability for infringement. However, after the Wilson patent issued on June 11, 1974, "they continued to sell propanil, knowing of the patent, and their customers have directly infringed the patent by following the method described on defendants' containers of propanil" (A. 140). None of the petitioners purchase propanil from Rohm and Haas. Petitioners' propanil is sold in containers bearing labels which recommend only the methods of use described in the Wilson patent claims. When petitioners sell propanil, they know that their customers will infringe the patent in suit by following the label instructions, and their customers do in fact infringe (A. 140-143). Petitioners concede that they are contributory infringers (PB 6).

E. The District Court Decision.

On stipulated facts, the United States District Court for the Southern District of Texas granted petitioners' motion for summary judgment based on patent misuse. The District Court also denied respondent Rohm and Haas' motion for a summary judgment that it had not misused the patent.

F. The Court of Appeals Decision.

The Court of Appeals unanimously reversed. It held as a matter of law that a patent owner who markets an unpatented, nonstaple product whose only commercial use infringes the patent is not guilty of patent misuse either for selling the product with label instructions for using it to practice the patented process or for declining to grant express licenses to others to sell the nonstaple product for use under the patent. The Court of Appeals rejected the arguments that such sales constituted an illegal extension of the patent right ("tying") or that a patent owner must submit to compulsory licensing of others in order to avoid a charge of patent misuse (A. 176-177). It remanded the case for proceedings on other issues and for trial if necessary.

SUMMARY OF ARGUMENT.

Rohm and Haas seeks to enforce its process patent under the doctrines of active inducement and contributory infringement, defined in 35 U. S. C. § 271(b) and (c) respectively. Petitioners have admitted facts sufficient to constitute both active inducement and contributory infringement, but they contend that Rohm and Haas is barred from enforcing its statutory patent rights because of alleged patent misuse. The misuse supposedly consists of Rohm and Haas' sales of propanil which by operation of law authorize the purchaser to resell or use the purchased propanil in the patented method. Petitioners further assert that misuse can be avoided (purged) only if Rohm and Haas grants express licenses under its patent (compulsory licensing) to legitimize petitioners' infringement.

Several provisions of the 1952 Patent Act relating to "use patents" form the focal point of this litigation. In adopting the general Act "to revise and codify" the Patent Laws in 1952, Congress specifically authorized patent protection for the discovery of a new use for an old product (35 U. S. C. § 100(b)); it provided a separate cause of action for active inducement of infringement (35 U. S. C. § 271(b)); it restored to the law a small portion of the contributory infringement doctrine, which doctrine had previously been eradicated by the *Mercoid* decisions [2] (35 U. S. C. § 271(c) and (d)); and it reaffirmed the traditional right of a patentee to exclude others from practicing his patent right (35 U. S. C. § 154). That portion of the contributory infringement doctrine restored to the law in § 271(c) dealt with the very conduct at issue

2. *Mercoid Corp. v. Mid-Continent Investment Co.*, 320 U. S. 661 (1944); and *Mercoid Corp. v. Minneapolis-Honeywell Regulator Co.*, 320 U. S. 680 (1944).

here—the sale of nonstaples having use only in a patented process.

As recounted in the Court of Appeals decision, § 271 had its roots in the judicially created doctrine of contributory infringement. At one point, this Court applied the doctrine to staples and nonstaples alike, and permitted a patentee to limit and control a variety of commerce, both that which existed apart from the patented invention and that which necessarily resulted in infringement since the material sold had no other use. The Court then substantially eroded this broad doctrine by holding that it was a patent misuse to interfere with the sale of unpatented staples which had uses other than to infringe. Such interference would preempt existing and legitimate sales of unpatented substances for noninfringing purposes. Contrary to the arguments of petitioners and the Justice Department here, all of this Court's cases on patent misuse prior to *Mercoid* dealt with such staples, and those decisions would not have condemned Rohm and Haas' present activities as misuse. Finally, in the *Mercoid* cases, this Court for the first time applied the patent misuse doctrine against unpatented *nonstaple* materials. Justice Douglas recognized the devastating effect of this decision on the doctrine of contributory infringement, and he noted that: "What residuum may be left we need not stop to consider" (320 U. S. at 669).

Following the *Mercoid* decisions, there arose a movement to restore a small measure of the doctrine restricted, however, to nonstaples, and this culminated in § 271(c) and (d), enacted as part of the 1952 Patent Act. The effect of § 271, and the wording to achieve that effect, were carefully considered during the four years of hearings which preceded its enactment. During those hearings, the Justice Department repeatedly urged that the Act not be passed since its effect, *inter alia,* would permit a patentee

to sell unpatented parts for a patented combination and at the same time prohibit his competitors from selling such unpatented materials in competition with him. A key draftsman of the Act agreed that such activity would be authorized by now § 271(d). He also agreed with the Congressional Subcommittee considering the act that *Mercoid* involved a right to use a combination patent predicated solely upon the purchase of an unpatented element thereof from the patentee. He further stated that such practice would be one of the activities permitted by now § 271.

Congress listened to essentially every argument against the act now made by Justice and petitioners. It resolved public policy in favor of contributory infringement as defined in § 271(c) and (d) and in so doing it legislated in accord with the same basic policy which led to the establishment of the patent system pursuant to Article I, Section 8 of the Constitution. Under that system, the exclusive rights granted to a patentee take nothing from the public which it had before the invention; at the same time, innovation is stimulated by the reward of a limited term of exclusivity. Similarly, the doctrine of contributory infringement takes nothing from the public when it permits a patentee to enforce his patent against those who deal in unpatented nonstaple substances used only in infringing ways. Before the patented invention, there was no known commercial use for the unpatented substance. The public is benefited by the inventive use while a demand is created for the unpatented material. This not only stimulates the search for new uses of known but useless materials, it also furthers development of alternative materials and uses. No legitimate competition is burdened since, by definition (§ 271(c)), the sale of a nonstaple must lead inevitably to direct infringement.

To make contributory infringement a viable doctrine, Congress adopted § 271(d) which exempted patent owners from "misuse or illegal extension of the patent right" when they engage in three activities: subsection (d)(1) permits Rohm and Haas "to sell unpatented [nonstaple] propanil for use in its patented process"; subsection (d)(2) permits Rohm and Haas to license its patent to others who "sell [the nonstaple] propanil for use in its patented process and collect royalties from those sales"; and subsection (d)(3) permits Rohm and Haas to enforce its process patent against "unauthorized sellers" of the nonstaple propanil.[3] Section 271(d) reads *disjunctively* and Rohm and Haas may engage in "one or more" of these activities; it is not required to engage in one of the stated activities before being able to engage in one of the other activities. Those who drafted the act made it clear at the underlying hearings that one could license or sue on his patent and he did not have to do both.

Ignoring this disjunctive wording and legislative intent, petitioners argue that because Rohm and Haas sells unpatented nonstaple propanil as permitted by (d)(1), it no longer has an optional right to license its patent under (d)(2). Instead, they argue, it is compelled to license all other manufacturers and their distributors under the Wilson patent. However, compulsory licensing is foreign to our patent system. If required for all use and combination patents where the patent owner sells a nonstaple component thereof, compulsory licensing would necessitate extensive court intervention to decide what is a "reasonable" royalty, how many and who shall be licensed, what shall be the terms and duration of license, etc. The burden of compulsory licensing on use and combination patents would chill sorely needed innovation with no resulting benefit to the public.

3. These quotations are from JB 13; see also PB 6.

The Court of Appeals correctly held that statutorily permissible conduct under § 271(d) cannot constitute an illegal tie-in. Section 271(d) expressly states that activity defined by the act is not an "illegal" extension of the patent right; no legitimate commerce is controlled (a basic requirement for illegal tying) by such activity, and the alleged tie herein is simply an authorization to sell or use the purchased product arising by traditional concepts of exhaustion of monopoly which existed long before § 271 was passed. No decision by this Court since the enactment of § 271 has addressed the issues presented by this case. The Court, has, however, expressly confirmed that an action for contributory infringement—which necessarily is directed to unpatented materials—has been revived as a substantive right by § 271.

ARGUMENT.

Introductory.

The Circuit Court correctly held that under the 1952 Patent Act, Rohm and Haas is not guilty of misuse for selling an unpatented nonstaple product to customers who, by operation of law, thereby acquire the right to use the product in practicing the patented method.[4] Petitioners, however, contend that Rohm and Haas misuses its patent unless it grants express licenses to propanil manufacturers on reasonable terms.

There is a basic inconsistency in petitioners' position that Rohm and Haas is misusing its patent by controlling or deriving profits from the sale of unpatented propanil, but that this misuse is purged and the patent becomes enforceable if Rohm and Haas grants petitioners licenses *to do the same thing*. In either event, the patent right is "extended" as permitted by the contributory infringement doctrine to embrace unpatented propanil. The question actually presented by petitioners is not Rohm and Haas' right to sell propanil and its customers' right to use it, but rather petitioners' right to compulsory licenses to enable them to do the same thing. It is self-evident that petitioners are basically demanding a license to legitimize their sales of propanil which, in the absence of such a license,

4. Purchasers from Rohm and Haas acquire the right to use propanil in the patented method because propanil has no other use and the patented method is recommended on propanil's labels. The right so acquired is based on the familiar principle that "the authorized sale of an article which is capable of use only in practicing the patent is a relinquishment of the patent monopoly with respect to the article sold." *United States v. Univis Lens Co.*, 316 U. S. 241, 249 (1942); see also *Adams v. Burks*, 84 U. S. (17 Wall.) 453, 456 (1873); and *Aro Manufacturing Co. v. Convertible Top Replacement Co.*, 377 U. S. 476, 497 (1964), known as *Aro II*. The "relinquishment of the patent monopoly" is sometimes characterized as an exhaustion of the patent right or as an implied license.

are wanton and wilful patent infringements—not competition.

I. On the Very Face of the 1952 Patent Act, Since Respondent Rohm and Haas' Activities Are Limited to Nonstaples, They Are Within the Statutory Exceptions to the Misuse Doctrine in 35 U. S. C. § 271(d).

The 1952 Patent Act, entitled an act both "to revise and codify the laws", specifically extends patent protection, the patent right, to the discovery of a new use for a known or old product.[5] The Act defines patent infringement in 35 U. S. C. § 271(a), and provides in subsection (b) that those persons who *actively induce infringement* shall be liable as infringers. Subsection (c) of § 271 imposes liability for *contributory infringement* on those who sell a "component of . . . a patented process . . . knowing the same to be especially made or especially adapted for use in an infringement of such patent", provided the component constitutes "a material part of the invention" and is "not a staple article or commodity of commerce suitable for substantial noninfringing use". Petitioners' sales admittedly fall within the explicit prohibitions of § 271(c), contributory infringement (PB 6; A. 9-10), and Rohm and Haas' sales of propanil, were it not the patent owner, would also be contributory infringement.

Section 271(d), the critical section under construction, provides that a patent owner shall not be deemed guilty either of patent "misuse or illegal extension of the patent right" for doing any one or any combination of three specific acts, each of which relates to "contributory infringement". The statute insulates the patent owner

5. In this respect, 35 U. S. C. § 100(b) provides that a process which may be the subject of an invention "includes a new use of a known process, machine, manufacture, composition of matter, or material."

from misuse whether its activities consist of selling under subsection (1), licensing one or more persons under subsection (2), suing either infringers or contributory infringers under subsection (3), or any combination thereof.

On the very face of the statute, Rohm and Haas' challenged acts are only those which § 271(d) says are not a ". . . misuse or illegal extension of the patent right. . . ."

It has "derived revenue from acts which if performed by another without [its] consent would constitute contributory infringement of the [Wilson] patent" (§ 271(d)(1)), that is, Rohm and Haas has sold propanil for weed control in rice.[6] Sale of propanil by another is contributory infringement because propanil is admittedly not a "staple article or commodity of commerce suitable for substantial noninfringing use" and it is sold for and used by purchasers only in methods embraced by the Wilson patent claims. As the sole active ingredient applied to both weeds and crops in the patented method, propanil—in the words of § 271(c)—is a "material part of the [Wilson] invention" and is "especially made or especially adapted" for use in the methods claimed in the Wilson patent. By the express mandate of § 271(d)(1), therefore, Rohm and Haas' deriving of revenue from sales of this product does not constitute "misuse or illegal extension of the patent right."

6. Section 271(d) specifically incorporates the definition of "contributory infringement" in enumerating the circumstances in which patent misuse shall not apply. "Contributory infringement" as defined in § 271(c) refers to the sale of a nonstaple article such as involved here. The Court of Appeals correctly linked subsections (c) and (d) (A. 174-175), and the District Court proceeded on a wrong premise when it failed to do so (A. 105-106). The draftsman of § 271 intended that (c) and (d) be read together (A. 172-173), and the Court of Appeals so found (A. 174-175; *infra* pages 34-36, 39-41).

By operation of law, Rohm and Haas' sale of propanil authorizes the purchaser to resell the purchased product for use in the patented method. But § 271(d)(2) exempts Rohm and Haas from misuse if it has "authorized another to perform acts which if performed without [its] consent would constitute contributory infringement of the [Wilson] patent."[7] In the absence of the implied authorization, resale constitutes contributory infringement. Section 271(d)(2) provides that Rohm and Haas shall not "be denied relief or deemed guilty of misuse or illegal extension of the [Wilson] patent right by reason of" having done this act.

Despite Rohm and Haas' refusal to grant licenses to petitioners, petitioners insist on selling propanil for the patented method. Rohm and Haas has therefore "sought to enforce [its Wilson] patent rights against infringement [and] contributory infringement". Seeking to enforce the Wilson patent against petitioners rather than license them does not constitute "misuse or illegal extension of the patent right" since it is expressly authorized by § 271(d)(3).

Section 271(d) also expressly provides that *no combination* of the above-described acts can give rise either to patent misuse or any other illegal extension of the patent right. In the words of § 271(d), the patentee may do "one or more" of the practices enumerated in subsections (1), (2), and (3), and, as held by the Court of Appeals, this "reinforces the view that a patentee may sell unpatented components while refusing to license others to do the same conduct—sell the unpatented component—without thereby being deemed guilty of misuse" (A. 144).

Petitioners do not dispute that respondent Rohm and Haas has carried out acts authorized by the § 271(d)(1)

7. A patentee is equally exempted from misuse if he has "licensed" another to contributorily infringe his patent. The explicit right to license afforded by § 271(d)(2) necessarily implies the optional right *not* to license.

to (3) statutory exceptions. Based on the plain wording of the statute, that should be the end of it.

However, petitioners seek to avoid the plain import of § 271(d) by claiming that Rohm and Haas does something else, i.e., it refuses to license petitioners to legitimize their infringement. But there is no compulsory license provision in § 271(d). Had Congress desired to condition § 271(d) on a licensing requirement, it could easily have done so—but this would have required drastic changes in the existing statutory language. Nowhere in the language of the act or its extensive history is there any suggestion that the authorized acts necessitate compulsory licenses. Plainly, enforcement under § 271(d)(3) was not conditioned upon licensing under § 271(d)(2).

II. The History of 35 U. S. C. § 271(d) Confirms That It Exempts Respondent From Patent Misuse.

A major part of the decision below consisted of an extensive, well-reasoned analysis of the history underlying § 271(c) and (d). That analysis shows beyond question that Rohm and Haas is exempt from misuse because its activities and enforcement are limited to a nonstaple product. The legislative history centers on: (a) the decisions of this Court establishing the equitable doctrine of contributory infringement, then increasingly eroding it by expanding the doctrine of patent misuse; and (b) the ensuing hearings and passage of the 1952 Patent Act, clearly showing that Congress intended to—and did—restore the contributory infringement doctrine to a narrow class of cases involving the sale of *nonstaple* products which have no commercial use except to infringe a patent.

A. The Decisional History.

As a necessary prelude to its statutory construction, the Court of Appeals discussed the historical progression

of judicial decisions leading to the enactment of § 271(c) and (d). It first discussed (A. 145-153) the development of the "judicial invention" of contributory infringement "designed to give effective protection to patentees" against those knowingly supplying others with the tools of infringement (A. 145).

The first case applying the rule of contributory infringement was *Wallace v. Holmes*, 29 Fed. Cas. No. 17,100 (C. C., D. Conn. 1871).[8] The invention was a kerosene oil lamp. The claims recited a unique burner arrangement plus a conventional glass chimney. Defendant sold only the burner and therefore alleged he was not an infringer. The strong sense of equity which impelled the court to find liability is apparent in Judge Woodruff's opinion:

> "And now it is urged, that, having made and sold burners only, they are not infringers, even though they have distributed them throughout the country in competition with the complainants, and have to their utmost ability, occupied the market, with the certain knowledge that such burners are to be used, as they can be used, by the addition of a chimney. Manifestly, there is no merit in this defense, and it must be regretted if the law be not such as will protect the complainants against this palpable interference.
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> * * *
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> "It cannot be, that, where a useful machine is patented as a combination of parts, two or more can engage in its construction and sale, and protect themselves by showing, that, though united in an effort to produce the same machine, and sell it, and bring it

8. The expression "contributory infringement" was first used in *Synder v. Bunnell*, 29 F. 47 (C. C. S. D. N. Y. 1886).

into extensive use, each makes and sells one part only, which is useless without the others, and still another person, in precise conformity with the purpose in view, puts them together for use. If it were so, such patents would, indeed, be of little value. In such case, all are tort-feasors, engaged in a common purpose to infringe the patent, and actually, by their concerted action, producing that result."

In *Leeds & Catlin Co. v. Victor Talking Machine Co.*, 213 U. S. 325 (1909), this Court recognized the doctrine of contributory infringement and applied it to protect the owner of a patent covering the combination of a disc record and a stylus from defendant's unlicensed sale of discs to purchasers who used them in infringing the patent. The discs in issue were found by this Court to be unsuitable for any non-infringing purposes, so they were "nonstaples". This landmark decision was never overruled by this Court until the *Mercoid* decisions, thirty-five years later. A necessary result of *Leeds & Catlin* and similar decisions was to extend the patent right to include nonstaple materials not literally embraced by the language of the claims (e.g., discs were protected although the claims covered the combination of disc and stylus).

The contributory infringement doctrine reached its "high water" mark several years later in *Henry v. A. B. Dick Co.*, 224 U. S. 1 (1912). The court below described the *A. B. Dick* holding as follows (A. 151):

> "The principles enunciated in *Dick* effectively enabled a patentee to 'tie' ordinary staples of commerce, none of which was even an element of the patented device, to a purchaser's right to use the device. This result was achieved by enforcing through the patent law instead of general contract law a notice attached to each patented machine at sale that required the purchaser to use the machine only with stencil paper, ink, or other supplies made by the patent holder, A. B. Dick. The majority ruled that any breach of these conditions by the buyer constituted infringement of the underlying patent and that any conduct aiding the breach was contributory infringement."

The *A. B. Dick* case thus extended the patent right far beyond *Leeds & Catlin* to embrace staple materials capable of many uses besides in the claimed invention. It is self-evident that *A. B. Dick* interfered with a long-standing substantial business in the sale of unpatented staples, "stencil paper, ink or other supplies", and it is not at all surprising that the pendulum between the antitrust laws and the patent laws then moved in the opposite direction for the next thirty years, culminating in the *Mercoid* cases and passage of § 271 in response thereto.

A. B. Dick's intrusion of the patent laws into the antitrust area led Congress expressly to limit it, two years later, in Section 3 of the Clayton Act. As stated by the court below (A. 153):

> "Two years later in partial response to *Dick*, Congress passed section 3 of the Clayton Act and the Federal Trade Commission Act. New members of the Court joined with the *Dick* minority to form a new majority, and thereafter the Court began a retreat from the principles just reviewed. Their vehicle was the new doctrine of patent misuse."

There followed a steady erosion of contributory infringement by the new judicially created doctrine of patent misuse, traced in detail by the court below (A. 153-158), culminating in the *Mercoid* decisions.

In *Motion Picture Patents Co. v. Universal Film Mfg. Co.*, 243 U. S. 502, 516 (1917), in the context of staple articles, the Court set forth what became the standard for patent misuse:

> "We are convinced that the exclusive right granted in every patent must be limited to *the invention* described in the claims of the patent, and that it is not competent . . . [to] *extend the scope* . . . by restricting the use of it to materials necessary in its operation, but *which are no part of the* patented invention."[9]

On this reasoning, the Court held unenforceable a contractual requirement that a purchaser of a patented machine use in that machine only film—a staple article capable of substantial noninfringing uses—purchased from the patentee (A. 153).

Petitioners' historical argument in Point 2 (PB 13-18) is wrong and extends far beyond this Court's holdings in *Motion Picture* and the succeeding misuse cases. None of the cases, prior to *Mercoid*, abolished the contributory infringement doctrine when the patent owner sold unpatented, nonstaple products. The doctrine was not destroyed by the *Motion Picture* case, which related only to staple articles, but was diminished over the next 27 years until the *Mercoid* cases were decided.

In succeeding cases, patent misuse barred relief for contributory infringement:

> 1) where the patentee had required users to purchase for use in a patented combination solid carbon dioxide —a staple article capable of substantial noninfringing use—from its exclusive licensee, *Carbice Corp. of America v. American Patents Dev. Corp.*, 283 U. S. 27 (1931);

9. Emphasis supplied in all quotations unless specifically stated to the contrary.

> 2) in the patent owner's limitation of the right to use a patented process to purchasers of bituminous paving material—a staple article capable of substantial noninfringing use—from the patentee, *Leitch Mfg. Co. v. Barber Co.*, 302 U. S. 458 (1938);
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> 3) in the requirement that purchasers of a patented dispenser buy salt—a staple article capable of substantial noninfringing use—from the patentee, *Morton Salt Co. v. G. S. Suppiger Co.*, 314 U. S. 488 (1942); and
>
> 4) in the requirement that those who wished to practice a patented process for reinforcing shoe insoles purchase rubber cement—a staple article capable of substantial noninfringing use—directly or indirectly from the patent owner, *B. B. Chemical Co. v. Ellis*, 314 U. S. 495 (1942).

In all of this Court's patent misuse holdings prior to the *Mercoid* cases, the unpatented component sold by the alleged contributory infringer was a staple article having substantial noninfringing uses.[10] Under the Court's holdings, the sellers of such established commodities as film, carbon dioxide, paving material, salt, and rubber

10. Petitioners argue that the *B. B. Chemical* case involved a non-staple (PB 15; see also JB 23, Note 20). This is not correct; see 32 F. Supp. 690, 698 (D. Mass. 1940), aff'd 117 F. 2d 829 (1st Cir. 1941) where the court stated that "defendant's latex adhesive is not manufactured by it exclusively for use in the patented process. It is a product manufactured by other concerns and bought and sold in the market." This Court's decision in *B. B. Chemical* made no reference to nonstaples. The Court of Appeals herein referred to *B. B. Chemical* as "involving the *possible* staple/nonstaple distinction" (A. 157). Whether it involved the distinction is unimportant here because the subsequent *Mercoid* cases clearly faced the distinction and clearly held that the misuse doctrine would be applied to nonstaples as well as staples. It was the *Mercoid* cases which prompted passage of Section 271 (see legislative history *infra*, pages 26-45).

cement were given protection against the contributory infringement doctrine. The suggestion (JB 8-10) that decisions prior to *Mercoid* would have condemned Rohm and Haas' activity here is simply false. The instant facts involve an admitted nonstaple, and not until *Mercoid*—which Congress modified by § 271—would Rohm and Haas' present policy have been considered misuse.

In the first *Mercoid* case (320 U. S. 661), the patent related to a heating system comprising a stoker, a thermostat and a stoker switch. The stoker switch was unpatented *per se*, but it had use only in the patented heating system. The patentee initially adopted a policy of granting a license only to customers who purchased the unpatented stoker switch from the patent owner or his exclusive licensee. When the patentee brought suit for contributory infringement against an unlicensed seller of the unpatented stoker switch, and the defense of patent misuse was raised, this Court sustained the defense and also overruled *Leeds & Catlin*, which had remained viable since 1909 (320 U. S. 668-69). Justice Douglas wrote that the Court's decision and those preceding it, "limit substantially the doctrine of contributory infringement. What residuum may be left we need not stop to consider." (320 U. S. 669; A. 158-60).

The Justice Department presents (JB 20-22) a misleading summary of the *Mercoid* cases (which summary conflicts with its previous interpretations of *Mercoid*, see *infra* pages 28, 35-42 and 1949 Hearings, pages 53-54 and 1951 Hearings, page 207). In *Mercoid I*, the alleged improper activity was characterized by the Court of Appeals as the equivalent of granting a written license with the condition that the patented system be practiced only with switches purchased from the single exclusive licensee (133 F. 2d 810, 811, see 43 F. Supp. 694, Finding 15). The Supreme Court agreed with this analysis (320 U. S. 663) as did the proponents of what became § 271 and the subcommittee considering it (1949 Hearings, page 69). While the *Mercoid I* patentee later offered licenses, no licenses were offered to competitors for many years. The Justice Department's contention that Mercoid was offered a license by Mid-Continent prior to the issuance of the Honeywell license (JB 20-21) is plainly wrong, since the Honeywell license issued *prior* to Mid-Continent's even acquiring rights under the patent in question (43 F. Supp. 694, Finding 12).

The Court again sustained the patent misuse defense in *Mercoid II* (320 U. S. 680) against the manufacturer of the switch to whom the patentee had granted an exclusive license. In *Mercoid II*, Justice Douglas went further and ruled that any attempt to bring unpatented goods within the protection of the patent is measured by the antitrust and not the patent laws.

Following its meticulous analysis of these decisions, the Court of Appeals took note of the historical facts that (A. 160):

> "In the aftermath of Mercoid, strange to say, there was great confusion in the courts and among the patent bar regarding the proper scope of contributory infringement;"

and that:

> "A movement arose among the bar to put some effective measure of contributory infringement back into the law, and various committees came forward to draft proposed legislation for consideration by the congressional committee then codifying the general patent law. The ultimate result was section 271."

Even the petition before this Court admits that the *Mercoid* cases created "consternation" resulting in the

enactment of "a statutory law of contributory infringement" and the corresponding "provisions expressly exempting certain activities from the antitrust laws and the law of patent misuse" (petition, p. 9). This statutory law of contributory infringement is, of course, § 271(c), and the provisions exempting activities from the antitrust laws and from patent misuse are those of § 271(d).

B. The Legislative History.

With the decisional perspective effectively set forth, the Circuit Court quoted extensively from the legislative history of § 271 and concluded that the history decisively established Rohm and Haas' position: § 271 was enacted to change the state of the law represented by the *Mercoid* decisions; it restored the doctrine of contributory infringement but limited it to the sale of *nonstaple* articles (§ 271(c)); § 271(d) imposed statutory limitations on the patent misuse defense but only where nonstaples are involved; and Rohm and Haas' activities fit squarely within the letter and spirit of those limitations. According to the Court of Appeals, this result "is one we see *so clearly* in the statutory words and its legislative history" (A. 181). Not only has Congress given the "clear signal" referred to in petitioners' and the Justice Department's briefs, but as stated by the Court of Appeals, "the impression becomes *almost overpowering*" that Rohm and Haas' position is correct (A. 176).

Title 35 of United States Code, "An Act To *Revise* and Codify The Laws Relating To Patents . . .", was approved July 19, 1952. As its title expressly states, the Act did not merely codify the existing patent laws as petitioners suggest (PB 8, 19-20—see also JB 16-17), but it also included important changes, in the words of Senator McCarran, "In view of decisions of the Supreme Court

and others . . ." [11] The House Report stated: "Although the principal purpose of the bill is codification of title 35 . . . there are a number of changes in substantive statutory law. . . . The *major changes or innovations* in the title consist of . . . the judicial doctrine of contributory infringement in § 271." [12] The Court of Appeals correctly found that: "The reports and, indeed, the title of the bill indicates its general purpose to be the revision, as well as the codification of the patent law . . ." (A. 165).

As noted by the court below (A. 170-173), the Justice Department unsuccessfully opposed the enactment of § 271 on the same grounds and policy arguments now urged by petitioners, and repeated by Justice in its *amicus* brief herein. A complete review of the legislative history shows that during the four years § 271 was under consideration, every argument now raised by petitioners and Justice in an effort to restrict its provisions was raised by the opponents in an effort to prevent its passage. Those arguments were considered and rejected. The act was passed in the form originally proposed without significant modification. Congress determined that public policy dictated passage of § 271, and Congress' resolution of public policy in favor of the act *prior* to its passage necessarily means that the same arguments *after* the passage of § 271 cannot be used to restrict its interpretation.

What is now § 271 was first proposed in the 80th Congress as H. R. 5988. Hearings on the bill were held in May 1948. The bill was reintroduced, without change, in the 81st Congress as H. R. 3866, and hearings were held in May and June 1949. No further action was taken on

11. Congressional Record, Vol. 98, No. 120, July 4, 1952, page 9534—See also A. 165. The Justice Department ignores the concluding remarks of Senator McCarran (JB 17).

12. Committee Report to Accompany H. R. 7794, House Report No. 1923, 82d Congress, 2d Session, May 12, 1952, page 5.

these bills until their substance, with some rearrangement, became part of H. R. 3760, an omnibus bill to revise and codify all of the patent laws. What is now § 271 was designated § 231 in H. R. 3760, and hearings were conducted in June 1951. H. R. 3760 was reintroduced as H. R. 7794 in the 82d Congress on May 12, 1952. It was reported favorably by the Committees of both the House and Senate and passed by unanimous consent on July 4, 1952. It was signed by the President on July 19, 1952.[13]

Petitioners understandably devote little discussion to the history of the Act, and in particular to the hearings during which § 271 and the public policy underlying it

13. The legislative history of Section 271 is reflected in several Hearings and Committee Reports identified below. The numbers in parentheses following the citations are the appropriate reference numbers employed by the Supreme Court Library. The texts of the forerunners of Section 271 are annexed hereto as Appendices A-C.

—Hearings on H. R. 5988, H. R. 4061 and H. R. 5248, Subcommittee on Patents, Trademarks and Copyrights of The House Committee on The Judiciary, 80th Congress 2d Sess. 1948 (6036)—hereafter "1948 Hearings".

—Hearings on H. R. 3866, Subcommittee No. 4 of The House Committee on The Judiciary, 81st Congress, 1st Sess. 1949 (6734)—hereafter "1949 Hearings".

—Hearings on H. R. 3760, Subcommittee No. 3 of The House Committee on The Judiciary, 82d Congress, 1st Sess. 1951 (7493)—hereafter "1951 Hearings".

—H. R. Report No. 1923, 82d Congress, 2d Sess. 1952 (11577) —hereafter "H. R. Report".

—S. Report No. 1979, 82d Congress, 2d Sess. 1952 (11569)— hereafter "S. Report".

A summary of the writing and enactment of the Patent Act of 1952 appears in *Patent Procurement and Exploitation, Southwestern Legal Foundation,* Lectures Presented March 21-22, 1963 BNA, 1963, pages 61-78 (copy annexed hereto as Appendix D). The intended meaning and effect of § 271 was restated in an article by a chief draftsman published soon after the passage of the act—G. Rich, *Infringement Under Section 271 of the Patent Act of 1952,* 35 J. Pat. Off. Socy. 476 (1953).

were discussed. To the extent petitioners refer to legislative history, they mainly quote isolated portions of the testimony and reports, for the most part out of context. All of the hearings are important to legislative history, and the testimony taken at the 1948 and 1949 Hearings was plainly available and referred to during the 1951 Hearings (e.g., 1951 Hearings, pages 151-152 and 207). A full appreciation of the intent and meaning of § 271 can be obtained only by following the legislative history from start to finish.

In reviewing legislative histories of statutes, this Court has carefully considered the administrative and legislative background of the statute, prior versions of the same bill and hearings thereon, and has accorded great weight to the statements of the draftsmen and sponsors, *Transcontinental & Western Air, Inc. v. Civil Aeronautics Board,* 336 U. S. 601 (1949); *Schwegmann Bros. v. Calvert Distillers Corp.,* 341 U. S. 384 (1951), *reh. den.* 341 U. S. 956 (1951); *United States v. Zacks,* 375 U. S. 59 (1963); *United States v. Enmons,* 410 U. S. 396 (1973); *Ernst & Ernst v. Hochfelder,* 425 U. S. 185 (1976), *reh. den.* 425 U. S. 986 (1976); *Federal Energy Administration v. Algonquin SNG, Inc.,* 426 U. S. 548 (1976).

As stated by Congressman Crumpacker, a member of the patent subcommittee, in an address following passage of § 271:

> "When the courts, in seeking to interpret the language of the Act, go through the ritual of seeking to ascertain the 'intent of Congress' in adopting same, they would do well to look to the writings of these men [the draftsmen]—Federico, Rich, Harris, and the others—as they, far more than any member of the House or Senate, knew and understood what was intended by the language used."

Patent Procurement and Exploitation, Southwestern Legal Foundation, supra, at p. 78, printed as Appendix D of this brief, see *infra,* page 90.

1. *H. R. 5988—The 1948 Hearings*

The origins of H. R. 5988, the first bill underlying present § 271, were carefully explained during the 1948 Hearings.[14] The bill was motivated "by recent decisions of the Supreme Court abolishing effective protection against contributory infringement", and its wording was carefully designed "to restore the stimulus of the patent system to large and important fields of inventive effort which have in practical effect, been placed outside of the patent law . . ." (1948 Hearings, page 3). In explanation of what prompted H. R. 5988, one of its primary draftsmen, Mr. Giles S. Rich, now an associate judge of the Court of Customs and Patent Appeals, stated (1948 Hearings, pages 4-5):

> "In these decisions, and particularly in the Mercoid cases, the Supreme Court has abolished the patentee's right to effective protection against contributory infringement. The Court did this, not by attacking the doctrine directly, but by making it illegal for a patentee to obtain the benefit of this doctrine."
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> * * *
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> "A necessary effect of the doctrine of contributory infringement . . . *is to give a patentee the right to exclude others from doing acts which would constitute*

14. Committee reports of a statute and previous versions of the bill are relevant and entitled to a great deal of weight, even more than debates on the floor of Congress, *Transcontinental & Western Air, Inc. v. Civil Aeronautics Board, supra; United States v. International Union United Automobile, Aircraft and Agricultural Implement Workers of America,* 352 U. S. 567 (1957), *reh. den.* 353 U. S. 943 (1957).

> *contributory infringement of his patent if done without his permission.* The patentee's inherent exclusive right to exclude others from practicing his invention piecemeal is like the main exclusive right given by a patent to prevent practice of the whole invention in that it does not deprive the public of anything which the public had before the invention was made. . . .
>
> "So also, *one who supplies a hitherto unused chemical to the public for use in a new method is stealing the benefit of the discovery* of the property of this chemical which made the new method possible. To enjoin him from distributing the chemical for use in the new method does not prevent him from doing anything which he could do before the new property of the chemical had been discovered."

Note that this hypothetical illustration fits this case like a glove. Continuing, Mr. Rich said (1948 Hearings, page 5):

> "Under the recent Supreme Court decisions, new-use inventions which are most widely used, and therefore most important, are, as a practical matter, placed outside the protection of the patent law. The decisions prevent the patentee from obtaining relief against the person who is guilty of causing infringement of the patent and leave him only the right to recover against innocent members of the public who have been induced to use the patented process."

The proposed statute was then explained, and respecting Section 5, now Section 271(d), it was stated (1948 Hearings, page 6):

> "Section 5 of the statute is of great importance since it provides that the mere use or enforcement of

> the right to be protected against contributory infringement which under our law has long been inherent in every patent, shall not be regarded as misuse of the patent. Section 5 thus does away with the ground on which the Supreme Court has destroyed the doctrine of contributory infringement. . . . section 5 is essential to *make the rights against contributory infringers which are revived by the statute practically useful and enforceable.*"

In the 1948 Hearings, another primary author of the Act, Mr. Robert W. Byerly, described the important distinction between active inducement (then Sections 1 and 4), which involves staple articles of commerce with an existing, legitimate market outside of the invention, and statutorily defined contributory infringement (then Section 3), which involves nonstaples having use only in an invention (1948 Hearings, pages 15-16):

> "Now, we do not want to ever suggest changing the law to the extent that selling any standard article of commerce to a man even if you know he is an infringer presents you with liability. . . .
>
> "But, on the other hand, we come to a thing like the lamp case where the man sells everything except the one detail and clearly should be stopped under the doctrine of contributory infringement."
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> * * *
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> "It [Section 3 defining contributory infringement] cuts you right down to a case *where there is really deliberate stealing.* You can hardly imagine a case where a man sells something which has no commercial use whatever except as a means for infringing this patent and where the thing is particularly adapted for that use."

This same essential difference, which formed the basis for striking "a proper balance between the field of patent law on the one hand and the field of general law in which antitrust laws operate on the other" (1948 Hearings, page 11), was repeated throughout the 1948 Hearings (e.g., 1948 Hearings, pages 6, 10-11, 15 and 16—see also A. 169).

Finally, speaking of Section 5 of H. R. 5988, which is essentially word for word what is now Section 271(d), Mr. Byerly explained (1948 Hearings, pages 16-17):

> "The last section of the statute is introduced to do away with another confusion which may result from the Mercoid case and that is the section which says that if a patent owner is entitled to relief, he should not be denied this relief because he is either seeking to enforce contributory infringement or has licensed people to do what he could have enjoined them from doing. In other words that [then Section 5, now Section 271(d)] takes care of the sort of case we have in the Mercoid case. *A man can either say, 'you cannot sell the part of my invention to someone else to complete it,' or he can say 'yes, you can sell the part of my invention to help others complete it provided you pay me a royalty.'* . . .
>
> "Now, a mere fact that he has done that with one man and sued another man does not bar him under this section 5 and the section seems almost like surplusage until you read the Mercoid case and then realize it is necessary to have it in there in order to give the man a clear right to use the limited and defined doctrine of contributory infringement which is defined in the first part of the bill."

This clearly reflects the intent of the drafters of the proposed statute (now § 271(d)) that the patentee would

have not only the right to grant licenses but also the *right to refuse to license* another to sell the unpatented, nonstaple component.

2. *H. R. 3866—The 1949 Hearings*

The same salient points of background, purpose and effect of the statute, now designated H. R. 3866 but identical in wording to the earlier proposal, were restated during the 1949 Hearings (pages 2-20). The careful consideration given to the wording of the bill and its motivation by the *Mercoid* decisions were discussed (1949 Hearings, pages 2 and 9-10—see also page 70). Then, summarizing the necessity for and the interaction between then Sections 3 and 5 of the proposed act (now Sections 271(c) and (d)), Mr. Rich stated (1949 Hearings, pages 13-14):

> "Before dealing with them specifically, I would like to recall that we are dealing with a problem which involves a conflict between two doctrines, contributory infringement and misuse.
>
> "It's crystal clear, when you have thoroughly studied this subject, that the only way you can make contributory infringement operative again as a doctrine, is to make some exceptions to the misuse doctrine and that certain acts shall not be misuse. Then contributory infringement, which is there all the time, becomes operative again."
>
> * * *
>
> "That subject, the exceptions to the misuse doctrine, is dealt with in section 5 of the bill, which is the most important section."

As he had done in 1948, the bill's draftsman very carefully distinguished between thc mere sale of conventional

(staple) articles of commerce having many uses other than infringement and articles (nonstaples) which had no substantial noninfringing uses (1949 Hearings, page 17):

> "So we have stopped short of that, and we have said that *you can control only things like the switches in the Mercoid case* which are especially made or adapted for use in connection with such patent and which are not suitable for actual commercial, noninfringing use [i.e., nonstaples]."

During the 1949 Hearings, the Department of Justice for the first time strenuously opposed what became § 271, and it did so *for precisely the same reasons* it argues in its brief before this Court. Mr. John C. Stedman, testifying on behalf of the Justice Department, complained (1949 Hearings, page 52):

> "Our most serious objections relate to section 5. . . .
>
> "In the general language in which this section is couched, it sounds reasonable and innocuous enough. *Its effect, however, is to permit a patentee to sell unpatented parts for a device or composition covered by his patent or sell unpatented materials or apparatus for use with a process patented by him, and at the same time prohibit his competitors, by suit for infringement, from selling such unpatented materials in competition with him.*
>
> "In short, enactment of section 5 of H. R. 3866 would enable the patentee to exercise control over the unpatented materials usable in his patented device or with his patented process and oust from the market his competitor dealing in the same materials."

Thus the Department of Justice plainly understood that under the proposed statute (now § 271(d)), a process patentee who sells an unpatented, nonstaple material for use in practicing his invention could at the same time prohibit his competitors from selling that same material.

In response, Mr. Rich restated the key distinction between legitimate commerce in conventional, staple articles and commerce in special materials having use only as infringements (1949 Hearings, pages 64-67):

> "Now as to section 5. For the most part *I agree with everything Mr. Stedman has said in his interpretation of that section,* but it seems to me that he ignores the fact that that section is limited to contributory infringement as defined in the preceding parts of the bill."
>
> * * *
>
> "I previously stated, and I wish to reiterate it, that section 5 is the most important part of the bill from the standpoint of accomplishing our purpose. The exception which we wish to make to the misuse doctrine *would reverse the result in the Mercoid case; it would not reverse the result in the Carbice case.*" (at page 67)

The draftsman went on to agree with Congressman Willis, who presided over the 1949 Hearings, that in *Mercoid I* the "fact that the right to use was predicated *solely* upon the purchase of the element from [the patentee]" was the thing which the Supreme Court regarded as a misuse, and he made it clear that this would be permitted under section 5 (now § 271(d))—see 1949 Hearings, page 69.

The Department of Justice's position in 1949 and now (JB 23-24)—which petitioners adopt in their brief—was

that the nature of the unpatented goods makes no difference: "It is our view that the basic proposition that a person should not be able to use his patent to control commerce in an unpatented device, whether it is especially adapted or not, is a sound proposition and should be retained in the law" (1949 Hearings, page 58; see also pages 54 and 56 and compare pages 70-71). Congress expressly rejected this broad proposition by enacting § 271. In so doing, Congress made a fair compromise and restricted the misuse doctrine in a just manner. What Congress did was to "assume its responsibility, legislate, and set up a national policy for the courts to follow", and that policy should not be frustrated by the same shopworn arguments offered prior to passage (1949 Hearings, page 20).

3. *H. R. 3760, Section 231—The 1951 Hearings*

During the 1951 Hearings, Mr. Rich, who had testified in 1948 and 1949, again explained the background, purpose and effect of what is now § 271 (then designated § 231), and the Justice Department again opposed passage on the very same grounds it had previously stated (1951 Hearings, pages 93-98, 150-176). Notwithstanding the Justice Department's criticisms in 1949, and in conformity with the extensive testimony in 1948 and 1949 explaining the meaning and wisdom of the provisions, § 231(d) effectively read word for word as had § 5 of the previous two bills.[15]

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15. The following quotes Section 271(d) of the 1952 Act with the material in [ ]'s having been deleted from Section 5 of H. R. 5988 and H. R. 3866 and the material italicized having been added. Section 231(d) of H. R. 3760 is identical to Section 271(d) of the present Act except that "another" in 271(d)(2) read—a person—in Section 231(d)(2).

> *"(d)* [SEC. 5.] No patent owner otherwise entitled to relief for infringement or contributory infringement of a patent shall be denied relief or deemed guilty of misuse or illegal ex-

The Justice Department's 1951 opposition mirrored its opposition in 1949. First, Mr. T. Hayward Brown expressed concern regarding § 231(d) in the following manner (1951 Hearings, page 97):

> "Paragraph (d) would greatly impair the salutary doctrine that a patentee who has misused his patents may not recover in a suit for either direct or contributory infringement. The Supreme Court has held that a requirement by a patentee that users purchase from him or his exclusive licensee unpatented parts not within the scope of the patent, was a misuse of the patent and barred recovery even though contributory infringement was assumed to exist. This doctrine is a most important factor in the enforcement of the antitrust laws with respect to tying arrangements and the Department is opposed to any impairment thereof."

Thereafter, Mr. Rich testified. Referring to his previous explanation of its provisions and history (1951 Hearings, pages 151-152), he described how the *Mercoid* holdings had led to drafting this section; he explained the "sensible line in accordance with public policy" drawn between active inducement (staples) and contributory infringement

15. (Cont'd.)
tension of the patent *right* [monopoly] *by reason of his having* [because he has] done one or more of the following: *(1)* [(a)] derived revenue from acts which if performed by another without his consent would constitute contributory infringement of the patent; *(2)* [(b)] licensed or authorized *another* [one or more persons] to perform acts which if performed without his consent would constitute contributory infringement of the patent; *(3)* [(c)] sought to enforce his patent rights against infringement or contributory infringement."

As of 1951, H. R. 3760 in its entirety had been the subject of extensive review by the patent profession and industry (1951 Hearings, pages 22-24, 43-44, 150-151). The wording of section 231, which was refined over the course of four years, was studied and intentional (1951 Hearings, pages 152-153).

(nonstaples); and he then described the subsections of 231 and their interrelationship (1951 Hearings, pages 153-161). Respecting § 231(d), he stated (1951 Hearings, pages 161-162):

> "I was about to make one remark on paragraph (d) . . ., and all I want to say about it is this: It deals with the misuse doctrine, and the reason it is necessary is that the Supreme Court has made it abundantly clear that there exist in the law today two doctrines, contributory infringement on the one hand, and misuse on the other, and that, where there is a conflict, the misuse doctrine must prevail because of the public interest inherently involved in patent cases.
>
> ". . . Therefore, we have always felt—we who study this subject particularly—that to put any measure of contributory infringement into law you must, to that extent and to that extent only, specifically make exceptions to the misuse doctrine, and that is the purpose of paragraph (d).
>
> "It goes with, supports, and depends upon paragraph (c)." [16]

16. At PB 20-21, petitioners wrongly contend that this was the "only actual statement" by the draftsman "about the purpose of the statute to the 1951 subcommittee". That argument is plainly erroneous as any fair reading of the testimony promptly shows (e.g., 1951 Hearings, pages 152, 155, 158-160). Equally incorrect is petitioners' argument that this statement meant that the only purpose of § 271 was to reverse the holding that any effort "to enforce a patent against a contributory infringer is in itself misuse" (PB 21). Were that the only purpose, Section 271(d)(3), which provides there is no misuse if the patentee "sought to enforce his patent rights against infringement or contributory infringement", would have been all that was necessary. But in enacting additional subsections 271(d)(1) and (2) providing further exemptions from misuse (for selling and licensing activities), Congress clearly intended to—and did—accomplish far more than petitioners contend. The draftsman's statement "to that extent and to that extent only",

Another spokesman for the Justice Department opposed passage of what is now § 271 (1951 Hearings, pages 163-169), and at page 165 stated:

> "Our primary objection to section 231 is subsection (d); that is, the misuse doctrine. * * *
>
> "In other words, *as I read the section, it would have the effect of wiping out a good deal of the law relating to misuse of patents, particularly with reference to tying-in clauses.*"

With further reference to the effect of the proposed act on the *Mercoid* cases, Mr. Fugate observed (1951 Hearings, pages 168-169):

> "Well, the Mercoid case itself was a case where the patentee was attempting to enforce his rights in an action of contributory infringement. *Now, as I read this section [231(d)], he would have recovered in that case, in the Mercoid case, under this section.*"

In reply, Mr. Rich again explained the limited exception to the misuse doctrine carved out by the act, which exception depended upon the narrow definition of contributory infringement found in present § 271(c) (1951 Hearings, pages 169-170), and stated (1951 Hearings, page 173):

> "So attached to paragraph (c) we have a paragraph (d) that says that the recovery, the enforcement against contributory infringers, the holding out of the patent against contributory infringers, and granting them licenses, the use of it to protect the

16. (Cont'd.)
in context, refers to the limited definition of contributory infringement, which excluded staples, and not to a sole purpose of the Act to prevent suit itself from being a misuse.

> business and making money out of it, and getting your reward as a patentee, all of these things shall not be misuse, and then contributory infringement, which we have had all the time, would become effective again to the extent that they wish to have it so."

A member of the House Committee, Representative Rogers, summed up the intent behind present § 271(d) in the following manner (1951 Hearings, pages 173-174):

> "All right. Now, due to what many members of the patent bar believe, that it did away with contributory infringement cases, you feel that we should now state as a positive law a cause of action against contributory infringement as set forth in section (c), and that if he has done one of the three things in section 4 [sic-(d)], that shall not be considered a misuse of his patent, and thereby reestablish what you thought you had before the Mercoid case." [The draftsman of the Act agreed.]
>
> * * *
>
> *"Then the effect of (d) with the (3) in there would be to say to the Supreme Court that it is the sense of this Congress that where you have heretofore denied relief to the plaintiff, you shall henceforth grant him relief* if he has only performed one, two, or three of these acts in (d), and that is why the Department of Justice is objecting to it?" [The Justice Department agreed.]

At PB 21-22 (and at pages 4-6 of its Reply Brief on Certiorari), petitioners erroneously contend that a colloquy among the draftsman, the Justice Department and Mr. Crumpacker satisfied everyone that § 271(d) did not

really mean what Justice thought and that thereafter, Justice "dropped its contention". Plainly this is wrong. The comment attributed to the draftsman was based on staples being "excluded" from subsection (c) and simply meant that attempts to control staples would still be misuse. The Justice Department never changed its original interpretation of the act. Indeed, after the hearings had concluded—and well *after* the colloquy relied on by petitioners, the Justice Department renewed its opposition in a written submission filed July 3, 1951 (1951 Hearings, pages 206-208). In that submission, it first referred the Committee to its objections previously stated at pages 50-60, 63-64 and 75-79 of the 1949 Hearings, and then the Justice Department stated (page 207):

> "Subsection (d) of section 231 is particularly objectionable in the opinion of the Department since, although couched in general terms, its effect is to permit a patentee to sell unpatented parts for a patented device or combination and at the same time prohibit his competitors, by suit for contributory infringement, from selling such unpatented materials in competition with him."

The Justice Department's suggestion now (JB 22-23, notes 20 and 21) that Mr. Fugate in 1951 was not talking about a situation where the patentee refused to license all competitors is belied the above and by the Extension of Testimony at page 207 of the 1951 Hearings (e.g., "The practice . . . of granting a license to those who buy . . . and suing . . . those who do not buy . . .") as well as by the Department's earlier, and expressly referenced testimony (e.g., 1949 Hearings, page 52). Equally untenable is the Justice Department's contention at JB 19, note 18 that in *Ruschig* Judge Rich recognized the narrow scope of § 271(d). The

only reference to § 271 on the page referred to is a statement by one of the litigants which was not adopted by the court.

Notwithstanding the Justice Department's repeated objection—and with full knowledge of the pertinent provisions which had been repeatedly and consistently explained during the 1948, 1949 and 1951 Hearings, all of which were available to Congress—Section 271 was favorably reported by the House subcommittee (H. R. Report) and by the Senate (S. Report), and it received the unanimous vote of the full House and Senate.[17]

4. *Rebuttal of Petitioners' Arguments on Legislative Intent*

Despite these clear indications of legislative intent, petitioners (PB 8, 18-19) and the Department of Justice (JB 11) argue that there was no "clear and certain signal from Congress" that the Act means what it says and immunizes the policies complained of here, relying on *Deepsouth Packing Co. v. Laitram Corp.*, 406 U. S. 518 (1972). However, the Court in *Deepsouth* was dealing with § 271(a) which defines direct infringement and the mean-

17. S. Report and H. R. Report explained at pages 8 and 9 respectively that: "The last paragraph of this section [271] provides that one who merely does what he is authorized to do by statute is not guilty of misuse of the patent." See also H. R. Report and S. Report, pages 28 of each). Amplifying on this, Mr. P. J. Federico, Technical Assistant to the House Committee charged with revising and codifying the Patent Laws, stated in his *Commentary on the New Patent Act*, 35 U. S. C. A. (hereafter "*Commentary*"), page 54: "The object of paragraph (d) is broadly indicated in the above quotation from the Revision Notes. As there stated, it is 'ancillary to' paragraphs (b) and (c) and was included primarily to except from the doctrine of patent misuse, developed by court decisions those acts of the patentee corresponding to acts which if performed by another without his consent, would give rise to liability. Paragraph (d) makes exceptions to the case law of misuse as are necessary to render the section effective as a basis of recovery."

ing of the term "makes". No legislative history relative to subsection (a) suggested any intent—by the draftsmen, by the subcommittees or by Congress—to make a change in the law of direct infringement. This is in direct contrast to the repeated statements quoted above that § 271(b), (c) and (d) intended significant changes in the law of *Mercoid* and excepted from the misuse doctrine precisely the activity underlying this controversy.[18] Contrary to petitioners' argument at PB 22 (and JB 17), the Committee Reports plainly indicate that the 1952 Patent Act made "major changes or innovations in the . . . judicial doctrine of contributory infringement in § 271" (H. R. Report, page 5).

It is well settled that the interpretation placed by the sponsor of a bill, throughout the legislative deliberations, on the very language subsequently enacted by Congress is accorded substantial weight in construing a statute, *Federal Energy Administration v. Algonquin SNG, Inc., supra,* and is a part of the legislative history which this Court considers, *United States v. Enmons; Schwegmann Bros. v. Calvert Distillers Corp.; Transcontinental & Western Air, Inc. v. Civil Aeronautics Board,* all *supra.*

At PB 19-22 petitioners nonetheless attempt to blunt the telling effect of the legislative history underlying § 271 by suggesting that the testimony of opponents to legislation (here the Justice Department) is not to be relied on in ascertaining the intent of Congress. They also suggest that no weight should be given to the 1948 and 1949 Hearings on the *same* statutory language (but see, for example,

18. As further stated by Mr. Federico in his *Commentary* at page 51, subsection (a) was for "completeness" because the "prior statute had no section defining or dealing with what constitutes infringement", but "Paragraphs (b), (c), and (d) of section 271 are of considerable importance and the Committee Report characterizes them as one of the major changes or innovations in the title."

1951 Hearings, pages 151-152 and 207 wherein specific reference was made to the earlier testimony). However, where the sponsors, draftsmen, and opponents of the statute all agree upon its meaning, statements of the opponents are "relevant and useful", *State of Arizona v. State of California,* 373 U. S. 546 (1963). As this Court has held, *First National Bank of Logan, Utah v. Walker Bank and Trust Company,* 385 U. S. 252, 261, *reh. den.* 385 U. S. 1032 (1967):

> "It is not for us to so construe the Acts as to frustrate this clear-cut purpose so forcefully expressed by both friend and foe of the legislation at the time of its adoption."

Quoting from the foregoing history, and supporting its opinion with even further citations from the legislative history, which we incorporate by reference herein in the interest of brevity (A. 164-176), the Circuit Court concluded that the statute was expressly intended to make substantive changes in the law (A. 165), that the history "indicates that section 271 was designed to immunize behavior like that in issue here" (A. 167), and that even opponents of the statute had similarly construed it (A. 170-173). Based on its exhaustive and scholarly analysis, the Court of Appeals correctly held (A. 176):

> ". . . the impression becomes almost overpowering that Congress *did* clearly provide for a patentee's right to exclude others and reserve to itself, if it chooses, the right to sell nonstaples used substantially only in its invention." (Emphasis the Court's).

That conclusion is completely supported in the legislative history of § 271.

III. In Passing Section 271, Congress Rejected Petitioners' Basic Argument That the Patent Right in Contributory Infringement Situations Is Defined by the Literal Scope of the Patent Claims; Activity Expressly Sanctioned by § 271 Cannot Be Tying.

Both petitioners' and the Justice Department's briefs repeatedly advance—as if it were dispositive of this case—the broad proposition that a patent monopoly extends only to the subject matter defined by the patent claims and that any effort to control or limit sales of something outside of those precise limits is impermissible and a misuse (e.g., PB 6, 7, 10 and 11 and JB 8-9). In so doing, they seek to revive the same arguments which ultimately led to the effective demise of the contributory infringement doctrine, and to turn back the clock thirty-six years to the *Mercoid* decision, in total disregard of § 271.

The argument is a deceptive and inapplicable truism when applied to those *contributory infringement* activities defined in § 271. By definition, contributory infringement always involves the control over or a limitation on something outside of the literal scope of the patent claims. If the subject matter were within the patent claims, the offense would be direct infringement—not contributory infringement (see e.g., A. 146, 161-163).

The application of the present extension argument properly led first to decisions restricting a patentee's ability to control existing commerce in *staple* products in such decisions as *Carbice, Morton Salt, Motion Picture* and *B. B. Chemical* (*supra,* pages 22-23). However, the *Mercoid* cases followed. They carried the argument to an extreme and found misuse in a patentee's attempt to prevent unlicensed sale of nonstaple articles, since the patentee was attempting to limit sales of something which

fell outside of the literal language of his claims (even though those sales were of articles having no use except to infringe and hence commerce necessarily leading to direct infringement)—see A. 162-164.

As the discussion of legislative history demonstrates, *supra,* pages 26-45, Congress was faced with a public policy decision: to what extent, if any in the face of the extension argument, should the contributory infringement doctrine—which necessarily permits control and limitation over "unpatented" commerce (see petitioners' definition at PB 10, footnote 4)—be revived and given precedence over misuse (see A. 162-163)? While both petitioners and Justice argue against the wisdom of restoring any measure of contributory infringement, Congress struck a reasonable middle ground. It resolved public policy in favor of contributory infringement but narrowly limited the revived doctrine to nonstaple articles, where those who sold such articles necessarily intended to and in fact caused direct infringement. Under these limited circumstances, Congress restored to patentees the right to limit the sale of materials *outside the literal scope of the claims.* And when passing § 271, Congress anticipated petitioners' arguments and expressly stated that in exercising such control patentees *were not* to be "deemed guilty of misuse or illegal extension of the patent right." Having declared that the "extension" was not "illegal", it necessarily follows that exercise of rights granted by Congress cannot properly be characterized as "tying".

This "extension" of the patent right—which § 271 by its very terms states is not "illegal"—does not nullify §§ 101, 112 or 154 or their historical counterparts, as petitioners argue at PB 12. Failure to comply with § 101 or § 112 will defeat all patent rights, both direct and contributory infringements. Section 154 is equally unaffected

by the contributory infringement doctrine, which provides a separate remedy to aid in its enforcement.

Rohm and Haas' sales practices are not illegal tie-ins for another fundamental reason. Illegal tie-ins require a substantial legitimate noninfringing business in the tied product. There was never any commerce in propanil until after Rohm and Haas made the invention at bar. Since the issuance of the Wilson patent, petitioners' sales of propanil are blatant, knowing contributory infringements and violations of the patent right. They are a series of torts and not a substantial market in a "tied" product. Under these circumstances, the patent policy of respondent cannot "inevitably curb" legitimate sale of propanil, a *sine qua non* of a tying arrangement. *Northern Pacific v. United States,* 356 U. S. 1, 5, 6 (1958); *McCullough v. Well Surveys,* 343 F. 2d 381, 406 (10th Cir. 1965).

In *United States v. Loew's Inc.,* 371 U. S. 38, 44-45 (1962), the Court said tying arrangements ". . . are an object of anti-trust concern for two reasons—they may force buyers into giving up the purchase of substitutes for the *tied* product, ° ° ° and they may destroy the free access of competing suppliers of the tied product to the consuming market . . .". *Fortner Enterprises, Inc. v. United States Steel Corp.,* 394 U. S. 495, 499 (1969) (*Fortner I*), also confirmed the emphasis on the "tied product", stating that a "not insubstantial" amount of commerce in the tied product market must be affected before the arrangement is considered an illegal tie-in, quoting *Northern Pacific, supra.* If and when any other practical use is discovered for propanil and substantial legitimate, noninfringing commerce develops, Rohm and Haas will no longer be able to rely on the contributory infringement provisions. Rohm and Haas is thus not seeking or obtaining any unlimited monopoly in propanil for

all of the possible uses which may develop, for the full seventeen years during which a patent is in force, the equivalent of the invalid patent claim of Monsanto to propanil *per se.* Neither the statute nor the decision of the Court of Appeals grants such rights to Rohm and Haas. Rather, Rohm and Haas only seeks a reasonable reward under the contributory infringement statute for its patented discovery, at least for the period in which that discovery is the only substantial use for the otherwise useless compound.[19]

Petitioners are also wrong when they contend that sales specifically permitted by § 271(d)(1) and enforcement sanctioned by § 271(d)(3) together constitute an illegal "tying" arrangement. They do not dispute that Rohm and Haas' conduct falls within the three exceptions

19. The compulsory licensing sought by petitioners does not necessarily follow even if propanil should become a staple. Although Rohm and Haas would no longer have the protection of § 271(d) or its claim for contributory infringement under § 271(c), it would still have a claim under § 271(b) for active inducement, and any patent misuse defense in the nature of a tie-in would still have to be measured by rule of reason rather than *per se* standards. *United States v. Jerrold Electronics Corporation,* 187 F. Supp. 545, 556 (E. D. Pa. 1960), *aff'd* 365 U. S. 567 (1961). See also *Dehydrating Process Co. v. A. O. Smith Corp.,* 292 F. 2d 653, 655 (1st Cir. 1961), *cert. denied* 368 U. S. 931 (1961), wherein the court stated: "We think the principle recognized by the district court in *Jerrold,* that a proper business reason may justify what might otherwise be an unlawful tie-in, is sound." Moreover, the Court has concluded in *Fortner I, supra,* that a "not insubstantial" amount of commerce in the tied product must be affected, and in *United States v. Fortner Enterprises,* 429 U. S. 610, 617 (1977) (*Fortner II*), that coercion and leverage must be present, i.e. "a disproportionately large volume of sales of the tied product resulting from only a few strategic sales of the tying product". All of these questions would have to be adjudicated, along with possible purging of misuse or a reasonable transition period to avoid misuse if propanil becomes a staple, before considering remedial action such as compulsory licensing. See also *Automatic Radio Mfg. Co. v. Hazeltine Research,* 339 U. S. 827, 832 (1950), and *Zenith Radio Corp. v. Hazeltine Research, Inc.,* 395 U. S. 100, 138 (1969).

to misuse stated in § 271(d)(1), (2) and (3). But they —and the Justice Department (JB 12-15)—go on to argue that Rohm and Haas must nevertheless be held guilty of misuse because it engages in a fourth activity, "something else not authorized: compelling those who wish to practice the patented invention to purchase propanil from Rohm and Haas, thereby tying a license under the patent to the purchase of the unpatented material" (PB 6). However, this so-called "something else not authorized" is pure semantic sophistry, for it is merely a restatement of Rohm and Haas' sales and patent enforcement activities permitted by § 271(d)(1) and (3) plus *the inevitable operation* of the legal doctrine that purchasers from Rohm and Haas automatically receive authorization to practice the patented method. No express licenses under the Wilson patent have been granted "conditioning" the license on the purchase of anything, notwithstanding the Justice Department's constant inference to the contrary.

The Court of Appeals readily saw through petitioners' "tying" argument, holding that the operation of the implied license doctrine in connection with Rohm and Haas' sales of a nonstaple specifically permitted by § 271(d)(1) does not constitute illegal "tying" (Footnote 27, A. 176-177):

> "Once an item has been conveyed it passes beyond the patentee's monopoly power and the buyer can use it or sell it as he wishes. See e.g., Adams v. Burks, 84 U. S. (17 Wall.) 453, 21 L. Ed. 700 (1873), and, more recently, Aro Manufacturing Co. v. Convertible Top Replacement Co., 377 U. S. 476, 497, 84 S. Ct. 1526, 12 L. Ed. 2d 457 (1964). Surely no statute was required to save a license that operates as a matter of law from being deemed patent misuse."

IV. Since Compulsory Licensing Has Never Been a Substantive Requirement of the Patent Laws or the Antitrust Laws, Respondent Has Not Committed Patent Misuse by Declining to Grant Express Licenses.

The Court of Appeals properly refused to rewrite § 271 to inject a compulsory licensing obligation (A. 177):

> "We decline to rule that a patentee *must* license under (d)(2) in order to use his rights under (d)(1) and (d)(3). A general licensing obligation is foreign to a statutory scheme in which patentees are free to suppress entirely or reserve for themselves their inventions." (emphasis court's)

Over seventy years ago, the Supreme Court affirmed a patent owner's right to "reserve to himself the exclusive use of his invention" and held that "he is neither bound to use his discovery himself nor permit others to use it", *Continental Paper Bag Co. v. Eastern Paper Bag Co.*, 210 U. S. 405, 425 (1908). This is still the law. *Cataphote Corp. v. DeSoto Chemical Coatings, Inc.*, 450 F. 2d 769, 774 (9th Cir. 1971), *cert. den.* 408 U. S. 929 (1972).

While petitioners urge that some courts have previously required compulsory licensing (PB 29), the very cases they cite demonstrate that courts have required it only as a remedial or punitive measure to rectify substantive wrongdoings (e.g., price fixing) peculiar to a given case on which a final judgment has been entered. Never has any court singled out a broad class of patents, such as use patents, and decreed prospectively that the owners of such patents must license them as a condition precedent to their enforceability. Mandatory licensing of patents has never been a substantive requirement of the patent laws or the antitrust laws. Some statutes (PB 29), by express language and with clear legislative intent, have

required licenses in particular fields of intense public interest (PB 29), but neither the legislative history of the 1952 Patent Act nor its express language shows an intent to accomplish the radical result urged by petitioners.

Further affirmation of a patentee's "right to exclude others from making, using, or selling the invention" is found in 35 U. S. C. § 154. Congress affirmed that basic right in enacting § 271(d), which permitted the patent owner himself to derive revenue from acts which for others would be contributory infringement, while at the same time authorizing the patent owner to sue others to enforce the patent without any obligation to submit to compulsory licensing (*supra*, pages 17-18). Section 271 is expressed in the alternative and subsection (d)(3) does not require a patentee to offer the accused a license before proceeding "to enforce his patent rights". Those who drafted the statute made it clear in the hearings that one could sue *or* license, and was not required to couple suit with licenses (e.g. 1948 Hearings, pages 13 and 16). The Justice Department then recognized that compulsory licensing was not required (e.g. 1949 Hearings, page 52 and 1951 Hearings, page 207).

Congress has been importuned frequently by isolated special interest groups to require compulsory licensing of patents. But it has considered the larger interests of inventors and the public generally and has invariably refused to enact any general compulsory licensing statute. In light of the consistent rejection of all general compulsory licensing statutes by Congress, it would be ironic indeed to distort the present statute by reading into it such a radical requirement. This not only would negate both the explicit and implicit meaning of § 271, it also would involve a constitutionally impermissible limitation or destruction of those patent rights which are based upon a

new use of an old product. Previously considered unpatentable, such "use" inventions were recognized as patentable in the 1952 Act, 35 U. S. C. § 100(b).[20] As the Circuit Court recognized (A. 176), many of these "use" patents would be effectively destroyed if they are subject to the compulsory licenses demanded by petitioners as a pre-condition to their enforceability.

The theoretical existence of alternatives besides compulsory licensing to Rohm and Haas' present policy does not support the conclusion that Rohm and Haas *must* engage in that alternative activity (PB 28-31). In an effort to block passage of § 271, the Justice Department similarly argued that "there are several alternative activities that could be carried on by a patentee" such as practicing the whole of the claimed subject matter or licensing all who wished to use it (1949 Hearings, pages 76-77). Congress, however, provided a substantive right which cannot be defeated by renewed arguments that alternatives may be available.[21] Moreover, the suggested alternatives are impractical. For example, the multitude of farmers who use propanil on their rice crops are not interested in a direct license under the patent at bar. Even if all could be contacted, it is a foregone conclusion that very few would be willing to sign such an agreement,

20. *Rohm and Haas v. Roberts Chemicals*, 245 F. 2d 693, 698-99 (4th Cir. 1957).

21. Close analysis of these alternatives shows that many are not less harmful to petitioners. For example, were Rohm and Haas to enter the spraying business and carry out the patented process while refusing to license others to do so, even petitioners concede there would be no misuse. Yet in this manner, as the court below correctly noted (A. 162-163), Rohm and Haas could prevent petitioners from marketing propanil. The court further noted (A. 163): "What difference can it possibly make either to consumers or to competitors in the market for the unpatented item that the patentee has made his profits by selling the entire combination instead of the unique element? Competition in the submarket has been destroyed."

keep records to show the extent of their licensed activities, make periodic reports on such activities, forward royalty payments, or subject themselves to audits normally required in license agreements. Similarly, suit against thousands of farmers or herbicide applicators for direct infringement would be impractical. Thus, § 271(c) was provided as a practical remedy for patent enforcement in an otherwise impractical situation (e.g., see title of H. R. 5988 and 3866), and there is no question that this is exactly what Congress meant to do. Rohm and Haas is a chemical company, and it should not be required to enter businesses such as farming or spraying (which would deprive others of their livelihood) in order to obtain the reward promised a patentee under the patent system.

The conclusion is inescapable—in the words of the court below "almost overpowering" (A. 176) and "one we see so clearly in the statutory words and its legislative history" (A. 181)—that Rohm and Haas' patent policy is completely protected by § 271(d). The contrary position of petitioners ignores not only this statute but § 100 (b), § 154, and the great body of law going back to the *Continental Paper Bag* case, *supra,* and beyond.

V. There Is No Conflict Between the Decision Below and the Cases Decided Since Passage of the 1952 Patent Act.

The Court of Appeals concluded that only two prior opinions of this Court, the *Aro* opinions,[22] have touched on §§ 271(c) and (d) since their enactment, and it correctly recognized these decisions "as not controlling the result of our case" (A. 181).

22. *Aro Manufacturing Co. v. Convertible Top Replacement Co.*, 365 U. S. 336 (1961) (Aro I), and *Aro Manufacturing Co. v. Convertible Top Replacement Co.*, 377 U. S. 476 (1964) (Aro II).

In the *Aro* cases, the Court faced actions for contributory infringement based on a claim that defendant's specially cut fabric for a patented convertible top combination aided an infringing "reconstruction" of the combination, rather than a noninfringing "repair" of the item.

The Court rejected a contributory infringement charge in *Aro I* because those who purchased and used the fabric were merely *repairing* the patented combination which they had bought from a licensee, and hence there was *no direct infringement.* In the absence of direct infringement there could be no contributory infringement (A. 178-179). Petitioners rely on several statements in the majority and concurring opinions which state that separate elements of a combination are not protected by combination claims (PB 24-25). However, a careful reading of these portions shows that they were concerned with direct infringement (whether the replacement of fabric was a reconstruction or a repair) and not contributory infringement. The Court clearly recognized that separate rights existed under the contributory infringement doctrine. Thus, Justice Whittaker, speaking for the majority, concluded that the making and selling of the cut fabric "is not a *direct* infringement under 35 U. S. C. § 271(a)" but that this still left the question "whether petitioners' manufacture and sale of fabric constituted a *contributory* infringement of the patent under 35 U. S. C. § 271(c)" (365 U. S. 340—emphasis Court's). And Justice Black, in his concurring opinion holding that the "crucial question here" was "one of direct, not contributory infringement" (365 U. S. 347), stated (365 U. S. 361):

> "But in the absence of such a separate patent, which in this case would presumably be some sort of patent on the utility of the shape of the fabric, the public has the right to make, use and vend each part *subject*

> *only to the established limitation of contributory infringement*: that a part may not be knowingly supplied for use by an unauthorized person in a new making of what is in effect the whole combination."

In *Aro II*, this Court explicitly upheld the doctrine of contributory infringement, including "extension" of the patent right to the unpatented fabric, beyond the literal words of the claims (377 U. S. 522). It permitted the patent owner to sue and recover from the vendor of the unpatented product—a holding which is totally consistent with that reached by the court below. Petitioners concede (PB 25) that in *Aro II* the Court recognized the revived doctrine of contributory infringement, but they erroneously argue that the Court "applied the doctrine of patent misuse to deny relief" (PB 25). The fallacy of this assertion is self-evident from petitioners' brief wherein they concede a few lines later that the Court did not use the term "misuse", and further that, "The misuse defense had been abandoned" (PB 26, note 11). The Court flatly stated "patent misuse . . . is not an issue in this case" (377 U. S. 491).

In *Aro II*, the Court reiterated the holding of *Aro I* that replacement of fabric in a patented convertible top combination was a noninfringing "repair" (377 U. S. 479-480). Consequently, if the repair was carried out on a convertible top originally licensed under the patent, there was no direct infringement and hence no contributory infringement (377 U. S. 480). However, if the original tops were unlicensed, repair *was* a direct infringement and unlicensed sale of the replacement fabric *was* contributory infringement (377 U. S. 484-485). Unlike *Aro I*, where the sales of the replacement fabric were to owners of General Motors cars on which GM had originally taken a

license under the patent, some of the replacement fabric sales in *Aro II* were to owners of Ford automobiles at a time when there was no license to Ford under the patent, and these were held to be contributory infringements for which the patentee could recover from Aro, the contributory infringer. Ford later took a license under the patent, to which petitioners refer (PB 25), and the Court held that the agreement with Ford effectively licensed the convertible top combination to purchasers (377 U. S. 497). Hence, purchasers of those Ford cars which were covered by the license could repair their licensed tops, and, as in *Aro I*, sale of replacement fabric to licensed purchasers for repair was *not* contributory infringement. Consequently, the patentee could not interfere by contract with commerce in the unpatented fabric, the sale of which was neither contributory nor direct infringement. The provisions attempting such control were declared unenforceable.

The present case is clearly distinguishable from the *Aro* decisions, because those cases turned on whether or not direct infringement had occurred. In this case direct and contributory infringement are conceded, and the defense is staked on patent misuse.

Moreover, as the Court of Appeals pointed out herein, the *Aro* cases involved a completely different market setting from that involved here (A. 180-181):

> ". . . Because the policies involved in our factual situation—a primary use market—differ so from the policies involved in protecting competition in a market for unpatented elements to be used as mere replacement parts at the hands of one with a legitimate right to tinker with a patented device by reason of his absolute ownership thereof, we consider the *Aro* opinions as not controlling the result of our case."

Since petitioners admit that the Court's opinion in "*Aro I* contains no reference to Section 271(d)" (PB 26) and since the majority in *Aro II* actually upheld the contributory infringement doctrine in the factual setting there involved, it is unfathomable how petitioners can blithely state that the *Aro* court "would have struck down" (PB 26) the respondent's sales and enforcement activities presently in issue.

Petitioners also contend (PB 26-27) that the decision below is in conflict with *United States v. Loew's Inc.*, 371 U. S. 38 (1962); *Zenith Radio Corp. v. Hazeltine Research Inc.*, 395 U. S. 100 (1969); *Deepsouth Packing Co. v. Laitram Corp.*, 406 U. S. 518 (1972); and *Blonder-Tongue Labs, Inc. v. University of Ill. Foundation*, 402 U. S. 313 (1971). *Loew's* is a copyright case and does not even mention § 271(d) or its effect on *Mercoid*. In *Zenith* this Court approved an extension of the patent to require royalty payments on unpatented products where such extension was mutually agreeable and more convenient for the parties. The *Zenith* decision does not rely on *Mercoid* or on § 271(c) or (d). *Deepsouth* dealt with § 271(a) and held there was no direct infringement where the unpatented components were not assembled into the patented combination in this country. *Deepsouth* referred to *Mercoid* only for the proposition that if there is no direct infringement, there can be no contributory infringement (406 U. S. 526). *Blonder-Tongue* dealt with collateral estoppel—not contributory infringement. The Court of Appeals correctly concluded that these decisions are in a "context far afield", stating (A. 181):

> "It is true that these cases contain ringing endorsements of patent misuse theory concerning the proper scope of a patent. However, we decline to rely on their general statements, made in context far afield from a patentee's effort economically to market his invention by sale of its unique, nonstaple elements, to reach a result contrary to one we see so clearly in the statutory words and its legislative history."

Petitioners also argued in their opening brief in support of the petition for certiorari, pages 13-14, that the Circuit Court decision conflicts with the decisions of the lower courts in four other cases, *National Foam Systems, Inc. v. Urquhart*, 202 F. 2d 659 (3rd Cir. 1953); *Preformed Line Products Co. v. Fanner Mfg. Co.*, 328 F. 2d 265 (6th Cir. 1964); *McCullough Tool Company v. Well Surveys, Inc.*, 343 F. 2d 381 (10th Cir. 1965), and *Ansul Company v. Uniroyal, Inc.*, 306 F. Supp. 541 (S. D. N. Y. 1969), *aff'd* 448 F. 2d 872 (2d Cir. 1971). To the extent petitioners may revive the argument in a reply brief (the Justice Department mentions the cases in passing at JB 14), Rohm and Haas incorporates by reference its response found at pages 26-27 of its brief in opposition to certiorari.

VI. The Decision Below Is Consistent With Sound Public Policy; It Fosters Innovation in an Important Class of Inventions While Taking Nothing From the Public.

A patentee's right, confirmed by § 271, to prevent others from contributorily infringing his patent affects no market which exists apart from the invention claimed and therefore takes nothing from the public. Congress insured this result by limiting the definition of contributory infringement to only those materials whose sale necessarily leads to direct infringement of what is claimed.

Were the Court of Appeals decision reversed, innovation in a whole class of important inventions—new

uses of materials known *per se* but having no public or economic value—would be discouraged. On the other hand, affirmance takes nothing from the public since the public had no benefit from the known material until the patented invention created a use, a demand and a market.

In the absence of effective protection under the Patent Laws, no one will accept the high risk and spend the time, resources and effort first to experiment and discover new uses for hitherto useless materials and then to develop such uses for market. Particularly in fields such as agricultural chemicals and human health, the high cost of research and of obtaining governmental approvals would strongly militate against development of known materials unless the anticipated patent protection could be effectively policed.[23]

The chilling effect on innovation prompted the filing of two *amicus* briefs before the Court of Appeals urging reversal of the District Court's opinion. The importance of the question and its potential effect on innovation so sorely needed in this country have led numerous organizations, representing a wide cross-section of American industry, additionally to request permission to appear as *amici* before this Court in support of the Court of Appeals opinion. The interest expressed by these organizations and the strong statements of public policy detailed in their briefs independently confirm the wisdom of Congress in enacting § 271 to provide meaningful protection to the class of inventions represented by Rohm and Haas'

23. For example, a study conducted in 1975 for the Environmental Protection Agency reported that to find one commercially successful agricultural herbicide, a company must screen about 7,000 compounds, and the average research cost was about $7,400,000.00. Weschler et al., Evaluation of the Possible Impact of Pesticide Legislation On Research and Development Activities of Pesticide Manufacturers, EPA-540/0-75-018 (1975). This does not include "commercial" costs such as the expense of building a plant.

discovery of a new and highly beneficial use for propanil. Propanil has been known for nearly eighty years and yet its only use today remains the patented use. This discovery was not by chance but was the result of costly research and development by Rohm and Haas. Petitioners are not innovators but merely seek to profit from the research investments of others by selecting their proven commercial successes. Unfortunately, this approach has become a standard business technique in some circles, described as "Replicate, don't innovate," by one executive in a recent speech.[24]

The need to encourage invention and innovation in this country has been expressed and documented by all segments of the economy, both public and private. Innovation in developing new uses for known materials should not be discouraged by burdening those discoveries with the requirement of compulsory licensing of all competitors at some rate which someone decides is "reasonable".

The decision below fosters important discoveries at no cost to the public since it places no burden on any pre-existing market or legitimate competition—by definition (§ 271(c)) there is no legitimate competition outside of the invention claimed. Affirmance will not only encourage others to develop new uses for previously known, but unused materials, it will also stimulate the development of other uses for the same materials and other methods and other chemicals to achieve the same result, beneficial effects which even the Department of Justice concedes (JB 10, notes 10-11).

24. This speech by Mr. Steven W. Lapham, new products director of Lehn & Fink Products Co., was made to the American Marketing Association, and reported in "The Wall Street Journal", March 16, 1980, p. 16. In advocating the "Replicate, don't innovate" strategy, Mr. Lapham is quoted further as saying: "Someone else has gone and done your homework for you . . . They have taken the risk, the time, and spent the dollars."

To excuse and continue their infringement, petitioners seek to rewrite § 271(d) and effectively to nullify Rohm and Haas' right to sue contributory infringers. Such rewriting—nowhere suggested by the words or history of § 271—would create only complex and expensive proceedings whereby courts or some special agency would be required endlessly to set "reasonable" royalty rates, adjust them on future contingencies, determine who and how many shall be licensed, on what terms and when they shall be licensed, etc. The administrative burdens and judicial proceedings which would be generated are not justified by any possible public benefit. The public actually loses since innovation is discouraged at a time when it is so clearly needed. Reversal of the decision below would favor only petitioners, whose blatant and wanton—and admitted (PB 6)—contributory infringement would be legitimized by compulsory licensing.

In enacting § 271, Congress struck a reasonable balance between the policy arguments of the parties and came down in favor of the values urged by respondent herein. This balance is in the common good, and it offers more hope for the future than condoning the conduct of petitioners and other opportunists who are always on the fringe, ready, and waiting to make money on the inventions of others.

CONCLUSION.

The only business in propanil today—almost eighty years after it was first described—is its sale for use in the patented process. This business was a direct result of the Rohm and Haas invention and the publicity given to it after the Wilson patent application was filed. For decades prior to that time propanil was an unsalable laboratory curiosity having no practical use. Although petitioners have contributed nothing to this invention, they have sold propanil in competition with Rohm and Haas after the Wilson patent was granted. To justify their wanton and malicious violation of Rohm and Haas' patent rights, and ignoring the dispositive effect of §§ 100(b) and 271(c) and (d), they have interposed a so-called misuse defense which would make a mockery of these statutes.

To construe § 271 as petitioners contend would frustrate completely the long-term efforts of the patent bar and the intent of Congress to restore by legislation a practical, effective remedy for contributory infringement of use patents—a remedy which had been taken away by *Mercoid.* If petitioners' arguments were to prevail, in the words of Judge Woodruff in *Wallace v. Holmes, supra,* "such patents would, indeed, be of little value".

The Court of Appeals correctly held that Rohm and Haas' sales, licensing and enforcement activities with respect to the nonstaple propanil are within the specific authorization of 35 U. S. C. § 271(d), that no patent misuse or illegal tie-in has occurred, and that no compulsory licensing is required. The Court of Appeals followed the plain meaning of § 271(d) and backed its conclusions by a scholarly analysis of the judicial and legislative history leading to the enactment of § 271 as a critical part of the

1952 Patent Act. The Court of Appeals' decision should be affirmed.

Respectfully submitted,

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APPENDIX A.

H. R. 5988

"A BILL TO PROVIDE FOR THE PROTECTION OF PATENT RIGHTS WHERE ENFORCEMENT AGAINST DIRECT INFRINGERS IS IMPRACTICABLE, TO DEFINE 'CONTRIBUTORY INFRINGEMENT,' AND FOR OTHER PURPOSES"

"Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That any person who shall actively induce infringement of a patent shall be liable as an infringer.

"SEC. 2. Any person who shall contribute to the infringement of a patent in the manner set forth in section 3 shall be liable as an infringer.

"SEC. 3. The sale of a component of a patented machine, manufacture, combination or composition, or a material or apparatus for use in practicing a patented process, if especially made or adapted for use in infringement of such patent, and not suitable for actual commercial noninfringing use, shall constitute contributory infringement.

"SEC. 4. The mere sale of any staple article or commodity of commerce not especially made or adapted for use in a patented invention, and suitable for actual commercial noninfringing use, shall not of itself constitute contributory infringement, even though sold with the knowledge or expectation that it will be used in infringement of the patent.

"SEC. 5. No patent owner otherwise entitled to relief for infringement or contributory infringement of a patent

shall be denied relief or deemed guilty of misuse or illegal extension of the patent monopoly because he has done one or more of the following: (a) Derived revenue from acts which if performed by another without his consent would constitute contributory infringement of the patent; (b) licensed or authorized one or more persons to perform acts which if performed without his consent would constitute contributory infringement of the patent; (c) sought to enforce his patent rights against infringement or contributory infringement."

APPENDIX B.

H. R. 3866

"A BILL TO PROVIDE FOR THE PROTECTION OF PATENT RIGHTS WHERE ENFORCEMENT AGAINST DIRECT INFRINGERS IS IMPRACTICABLE, TO DEFINE 'CONTRIBUTORY INFRINGEMENT,' AND FOR OTHER PURPOSES"

"Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That any person who shall actively induce infringement of a patent shall be liable as an infringer.

"SEC. 2. Any person who shall contribute to the infringement of a patent in the manner set forth in section 3 shall be liable as an infringer.

"SEC. 3. The sale of a component of a patented machine, manufacture, combination or composition, or a material or apparatus for use in practicing a patented process, if especially made or adapted for use in infringement of such patent, and not suitable for actual commercial noninfringing use, shall constitute contributory infringement.

"SEC. 4. The mere sale of any staple article or commodity of commerce not especially made or adapted for use in a patented invention, and suitable for actual commercial noninfringing use, shall not of itself constitute contributory infringement, even though sold with the knowledge or expectation that it will be used in infringement of the patent.

"SEC. 5. No patent owner otherwise entitled to relief for infringement or contributory infringement of a patent shall be denied relief or deemed guilty of misuse or illegal

extension of the patent monopoly because he has done one or more of the following: (a) Derived revenue from acts which if performed by another without his consent would constitute contributory infringement of the patent; (b) licensed or authorized one or more persons to perform acts which if performed without his consent would constitute contributory infringement of the patent; (c) sought to enforce his patent rights against infringement or contributory infringement."

APPENDIX C.

Section 231 of H. R. 3760

"A BILL TO REVISE AND CODIFY THE LAWS RELATING TO PATENTS AND THE PATENT OFFICE, AND TO ENACT INTO LAW TITLE 35 OF THE UNITED STATES CODE ENTITLED 'PATENTS'"

"§ 231. Infringement of patent

"(a) Except as otherwise provided in this title, whoever without authority makes, uses or sells any patented invention, within the United States during the term of the patent therefor, infringes the patent.

"(b) Whoever actively induces infringement of a patent shall be liable as an infringer.

"(c) Whoever knowingly sells a component of a patented machine, manufacture, combination or composition, or a material or apparatus for use in practicing a patented process, constituting a material part of the invention, especially made or especially adapted for use in an infringement of such patent, and not a staple article or commodity of commerce suitable for substantial noninfringing use shall be liable as a contributory infringer.

"(d) No patent owner otherwise entitled to relief for infringement or contributory infringement of a patent shall be denied relief or deemed guilty of misuse or illegal extension of the patent right by reason of his having done one or more of the following: (1) derived revenue from acts which if performed by another without his consent would constitute contributory infringement of the patent; (2) licensed or authorized a person to perform acts which if performed without his consent would constitute contributory infringement of the patent; (3) sought to enforce his patent rights against infringement or contributory infringement."

APPENDIX D.

THE SOUTHWESTERN LEGAL FOUNDATION

PATENT PROCUREMENT
AND EXPLOITATION °

PROTECTING INTELLECTUAL RIGHTS

Lectures presented
at the First Annual Institute on
Patent Law
Dallas, Texas, March 21-22, 1963

BNA Incorporated • Washington, D. C.

These lectures were presented at the first annual Institute on Patent Law, March 21-22, 1963, Dallas, Texas. The opinions expressed are those of the contributors and not necessarily those of The Southwestern Legal Foundation.

This institute was presented under the direction of Dr. Andrew R. Cecil, Executive Vice President and Educational Director. LaDoris Morgan Whitney is Administrative Editor of Institute Proceedings.

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CONGRESSIONAL INTENT—OR, WHO WROTE THE PATENT ACT OF 1952?

GILES S. RICH
Judge

United States Court of Customs and Patent Appeals
Washington, D. C.

Pick up any elementary work on statutory construction and it will tell you that the end and object of all construction is to find and enforce the intention of the legislature. The "master rule" of statutory construction, it is often said, is to carry out the legislative intent.

I never have been a legislator but I have been thrown into close contact with a few of them, and I have observed in them a certain amount of cynicism about "legislative intent." A little more than a decade ago, it was my good fortune to be injected into the middle of a legislative undertaking—for about two and one-half years—from which I emerged with entirely new ideas about how laws are made, about legislative intent, and, more specifically, about the Congress of the United States and how it enacted (I will not say wrote) the Patent Act of 1952.

The purpose of this discussion is to convey an accurate picture of how the 1952 Act came to be written; who wrote it; how it was done; and the relative roles of the actual authors and the Congress, from the viewpoint of an eyewitness and participant, of whom there were many. It is hoped that the story may give to a younger generation which was not present a bit of the sophistication about lawmaking acquired by those who were and that the knowledge will be of practical use to patent practitioners in helping to keep the patent system on a straight and efficacious course.

It is appreciated that there are difficulties in the latter objective, taking into account the fact that lawyers are

prone to strive for interpretations of the law which will win their cases and the problems that this creates for judges who are not familiar with the intricacies of the law —to say nothing of the common meanings of terms used by patent lawyers.

As an illustration, in the *Crane v. Spitfire* case,[1] a construction was made of the new statute entirely contrary to the intent of its authors because a lawyer urged on the court a wrong interpretation of the simple phrase, "The provisions of this title relating to applications for patent." The authors meant certain provisions of chapter 11, entitled "Application for Patent," dealing with formal and procedural matters. The court was led to hold, on the basis that this was new language in the 1952 Act, that it meant the provisions of Section 102 which does not relate to "applications" but to the patentability of *inventions.*

A vast difference exists between an invention and a patent application and between a patent and an invention. It is assumed that patent lawyers know what these differences are; but it is apparently too much to assume that the judiciary as a whole understands such refinements of terminology. The incongruous effects of *Crane v. Spitfire* fortunately were undone in a later case [2]—but not entirely.[3]

This example tends to point up the significance of language, particularly the technical terminology of patent law. Where determination of "legislative intent" becomes necessary, one of the first rules of construction is the "doctrine of literalness." Words are to be given their plain, ordinary meaning. But here such problems arise as that in *Crane v. Spitfire.* What is the plain meaning of "application" or "invention" (one of the prime troublemakers in this field) or "contributory infringement"?

1. Crane Packing Co. v. Spitfire Tool & Machine Co., Inc., 276 F. 2d 271, 125 USPQ 89 (7th Cir. 1960).

2. Union Asbestos & Rubber Co. v. The Paltier Corp., 298 F. 2d 48, 132 USPQ 219 (7th Cir. 1962). See also *Ex parte* Strassburger, 127 USPQ 417 (Bd. App.).

3. Union Asbestos v. Paltier Corp., *supra,* particularly the concurring opinion of Castle.

On one occasion I was asked about the latter by a congressman at a hearing on an earlier bill which eventually became Section 271 of the Patent Act. He asked me to compare contributory negligence with contributory infringement.[4] That was after three pages of testimony explaining the rudimentary principles of contributory infringement. Perhaps I was not doing very well, but a common fault of patent lawyers is to assume that general lawyers, judges, and congressmen know what patent lawyers are talking about.

The doctrine of literalness has the weakness of leading to misinterpretation, if the interpreter assumes a meaning different from that given to a term by the legislative drafter. True interpretation, therefore, requires that words in a statute be taken in the sense which the *writers* attached to them, unless the intent of someone other than the writer is sought.

Early Beginnings of the 1952 Act.

In the late 1940's there was discontent in the patent bar. The practical value of patents was being downgraded. The courts were, on the average, applying a too stringent test for "invention," and the Supreme Court in the *Mercoid* cases [5] virtually had eliminated the useful doctrine of contributory infringement by expanding the overriding misuse doctrine. In 1948, the New York

4. Hearings on H. R. 3866 Before Subcommittee 4 of the House Committee on the Judiciary, 81st Cong., 1st Sess., ser. 17, at 6 (1949).

5. Mercoid Corp. v. Mid-Continent Investment Co., 320 U. S. 661, 60 USPQ 21 (1944); Mercoid Corp. v. Minneapolis Honeywell Regulator Co., 320 U. S. 680, 60 USPQ 30 (1944).

Patent Law Association drafted and had introduced a bill to remedy the latter situation.[6] Other bills to establish some criterion or test for determining what constituted "invention" also were introduced.[7] The House Subcommittee on Patents, Trade-Marks, and Copyrights held hearings on these bills, but the 80th Congress adjourned without taking action on them. Similar bills were introduced in the 81st Congress,[8] and, again, the subcommittee held hearings. It was beginning to learn patent law and patent lawyers' problems.

It was a fortuitous circumstance that the same subcommittee (then known as Subcommittee No. 4 and later changed to No. 3) had jurisdiction over both patents and the revision of the laws. In its latter function it had charge of a comprehensive program to revise and enact into positive law all the titles of the U. S. code, nine of the 50 titles having been done. The last general revision of the patent laws had occurred in 1870, since which time some 60 amendments had been made. By reason of the dual function of the subcommittee, then under the chairmanship of Joseph R. Bryson of South Carolina, it became interested in codifying Title 35 of the patent laws.

How it actually came about was this: Charles J. Zinn, the committee's law revision counsel, had, from time to time, mentioned to P. J. (Pat) Federico of the Patent Office, who usually was its representative at hearings on bills and other legislative matters, the possibility of codification of the patent laws, suggesting that he would be

6. H. R. 5988, 80th Cong., 2d Sess.

7. H. R. 4061 and 5248, 80th Cong., 2d Sess.

8. H. R. 4798, 81st Cong., 1st Sess., "A Bill to Declare a National Policy Regarding the Test for Determining Invention"; H. R. 3866, "A Bill to Provide for the Protection of Patent Rights where Enforcement against Direct Infringers Is Impracticable, to Define 'Contributory Infringement,' and for Other Purposes."

called upon to do the spadework. On June 22, 1949, at the close of hearings on a "test for invention" bill,[9] members of the subcommittee asked two Department of Justice witnesses who had just finished testifying[10] whether they thought the subcommittee would be an appropriate group to take up a comprehensive study of the patent laws and the operation of the patent system. The witnesses expressed enthusiastic approval of the idea. Representative Goodwin commented,

> "Before you amplify it, let me say that what was in my mind was this fact that I fear some of my legal brethren back home, patent lawyers, knowing that I would never take a patent case in my life, would shudder a little if I were to sit in judgment on a problem of this nature."

Chairman Bryson observed,

> "We would, necessarily, rely on a staff, on a competent and sufficient staff to do the spade work."

9. H. R. 4798, *supra*.

10. The committee members were Representatives Joseph R. Bryson, chairman, Angier L. Goodwin (Mass.), Boyd Tackett (Ark.), and Edwin E. Willis (La.); and the witnesses were Roy C. Hackley, Jr., chief, Patent Section, Department of Justice, and John C. Stedman, Antitrust Division, Department of Justice. Shortly before the question was raised, Mr. Hackley had said (H. R. 4798, at 36):

> "There is much that this committee can do, I think, both by way of investigation and by possible major fundamental improvements in the system. . . . We would feel very much that the committee should get at the roots of the issue and then work out."

Committee Chairman Bryson then commented:

> "You might be interested to know, if you do not know already, that our chairman, Mr. Celler, feels very much the way you gentlemen have spoken this morning and has indicated his desire to have that work done. . . . He is very enthusiastic about it."

Representative Willis, now chairman of the Patents Subcommittee, said he hoped the witnesses might think about it and meet informally with the subcommittee some day to give their views about where to start.

The committee adjourned, and Mr. Federico who had been present went to lunch with Mr. Zinn and Committee Counsel C. Murray Bernhardt. He suggested to Mr. Zinn that maybe this would be an opportune time to codify Title 35—to do some amending and codifying at the same time. He indicated willingness, in case the committee wanted to proceed, to undertake to produce a draft or do something based on the codification aspect as well as to bring proposed changes for study. A few days later, Mr. Federico received a letter Mr. Bernhardt wrote on July 6, 1949, saying the committee requested him to undertake the preparation of "an overall patent revision bill" at his earliest convenience. Meanwhile, the committee suspended action on pending patent bills.

Mr. Federico went to Commissioner of Patents Kingsland about the matter and was told to go ahead and do anything he thought was right but not to show it to him, so that the Patent Office would be free—officially—to criticize any resulting bill. The Bureau of the Budget, which clears such things for administrative agencies, was consulted and said it would be all right for Mr. Federico to operate as a technical advisor or assistant to the House committee. Whereupon, during the next six months he proceeded to produce a proposed codification and revision, combining amending with codifying and at the same time including for consideration by the committee some more radical proposals, such as maintenance fees, patents of addition, etc.

By the end of November, 1949, he showed a draft to a few individuals for comment. I was one of them. Another, fortunately, was Henry R. Ashton, then president of the American Patent Law Association and, automatically,

chairman of the National Council of Patent Law Associations. At that time the National Council did little beyond supporting a legislative information service for its members —the two dozen regional patent law associations whose presidents were the council. Mr. Zinn, as codification expert in the House of Representatives, had read Mr. Federico's draft for form and arrangement. After incorporating the suggestions he had received from the people who saw the draft, insofar as he liked them, Mr. Federico rewrote the draft and gave it to the House subcommittee. That occurred early in January, 1950, six months after the subcommittee made the tentative suggestion about studying the matter.

Within two or three weeks, those who kept their ears to the ground in Washington had learned that the "Federico amendments to the patent law" would be printed by the House subcommittee and circulated to the patent bar. The president of the A. P. L. A. was a logical person to hear of this in his official capacity, but he also heard it through his partner, Alexander C. Neave, who had recently become chairman of the Patent Law and Practice Committee of the New York Patent Law Association, a post I had relinquished after two years. The function of that committee was to follow legislation and testify or comment as necessary. Mr. Neave had been in Washington talking to Paul Rose, his counterpart in the A. P. L. A., and heard of the forthcoming committee print. On January 23, he was reporting thereon to the president of the New York association and saying, "Henry Ashton tells me that he is intending to call a meeting of the National Council of Patent Law Associations very shortly, perhaps on February 8, to try to coordinate the efforts of the various associations with respect to Federico's amendments." The next sentence in the letter, from which I am quoting, is the beginning of a long chain of events culminating in my being

here today and being able to tell you this story. Mr. Neave said to Worthington Campbell, president of the New York Patent Law Association:

> "I do not know what your pleasure will be about representatives to that meeting, but if you should want me to go, I think it would be also desirable for Giles Rich to go because he was able to go over the draft when it was left up here by Mr. Frederico, which was at a time when I was so jammed up that I could not do it."

The Coordinating Committee.

The planned meeting took place on February 8, 1950. Twenty-three people were there, representing 17 patent law associations, from Los Angeles to Boston. Two things were done, according to a well-conceived plan. First, those present or designated alternates were constituted a Coordinating Committee. Second, upon the passing of a resolution to that effect, which also provided that a two-man Drafting Committee be appointed, following a successful precedent in trademark legislative effort, the chairman designated Paul Rose and Giles Rich to be that committee. That surprised me for, given time to consider, I probably would have begged off. Thus began, however, two and one-half years of one of life's more rewarding and educational experiences.

While the meeting was taking place, the so-called Committee Print of Subcommittee No. 4, which up to that time had been in the printing office, finally arrived. The "Federico amendments" thereupon became an official congressional utterance known as, "Proposed Revision and Amendment of the Patent Laws—Prelimanary Draft with Notes." The foreword by Representative Bryson stated,

> "The draft presented is intended primarily to serve as a basis for the expression of opinions. . . .

> All comments received before May 1, 1950, will be carefully considered for the preparation of a bill to be introduced on the subject."

The deadline was unrealistic but also elastic. A bill actually was introduced July 17, 1950.

The assignment given to the two-man Drafting Committee by the Coordinating Committee was to take the Committee Print and prepare from it a codification and revision which were "to contain only such changes in the existing patent laws on which, in the judgment of the said Drafting Committee, substantial agreement of the patent profession as a whole can be obtained." We could not do this according to our imagination. Every interested association and person in the United States was invited to study the draft—about two thousand copies of which went into circulation—and to send us suggestions, approvals, and disapprovals. And they sent them by hundreds. After digesting the materials received and exercising our own judgments thereon, we compiled lists of proposed changes on which we had the benefit of Mr. Federico's comments. We also had a virtual third member of the Drafting Committee in Mr. Ashton. After two months of this revision work, Messrs. Ashton, Rich, and Rose met in Washington to consolidate their ideas, with the assistance of Mr. Federico. These four became the basic working nucleus as well as great friends.

On April 14, 1950, the Drafting Committee's redraft of the Committee Print, a 57-page document, was in print, and 750 copies of this redraft were sent to Coordinating Committee members; that is, to the patent law and other associations whose legislative committees then became active.

The Patent Office Advisory Committee of the Secretary of Commerce met in Washington on April 24-25,

1950, and produced a report containing numerous suggestions which were piped into the Coordinating Committee. The next Coordinating Committee meeting was held in Washington May 9-10; 33 people were there, representing 25 different organizations. This was a sort of little congress of experts, operating by majority rule, guided and kept moving by Mr. Ashton as chairman. Out of that meeting came a second redraft, this time actually prepared in and agreed upon by the full Coordinating Committee.

The Coordinating Committee "draft" and other reports and material, technically, constituted suggestions to the House subcommittee. The bill it produced was the result of a consideration of the original Federico Committee Print and these suggestions. Ultimate decisions as to changes to make in the Committee Print were made by Chairman Bryson on the advice and recommendation of his staff, augmented by advisers.

On June 19-20, 1950, Messrs. Ashton, Rich, Rose, and Federico, together with Law Revision Counsel Zinn and Committee Counsel Bernhardt, worked at the final conversion into a bill of the second Coordinating Committee redraft. This mostly involved changes in organization and arrangement and taking care of irksome but necessary formalities. On July 17, the first actual bill was introduced by Representative Bryson, H. R.-9133 of the 81st Congress, 2d Session, which was almost over. Copies were sent to every registered patent agent and attorney and to many others.

This deliberate introduction of a bill at the end of a Congress was with the purpose of getting the proposed revision and codification—and thus was the bill labeled—into wide circulation in a form most likely to attract serious consideration by all interested parties. It had the

desired effect, and many associations put committees to work on it in earnest. Many associations held meetings, heard explanations on the bill, and considered it in detail. More criticism and suggestions came to the Drafting Committee. The Patent Law Association of Chicago did a particularly full report in six printed pamphlets totaling 65 pages.

The drafting group again repaired to Washington, after a summer and fall of activity, meeting on November 15-17, and whipped up a revision of H. R.-9133 on the basis of reports received to be used at another Coordinating Committee meeting in Washington on December 6-7, 1950.

The day before, on December 5, the drafting group met in Washington to plan the meeting. That day the full text of the Supreme Court's opinion in *The Great Atlantic and Pacific Tea Co. v. Supermarket Equipment Corp.*,[11] appeared in the *New York Times*. Because of its obvious importance and interest to this group in particular, the opinion was read. I have always felt that it clinched the determination to include in the bill what is now 35 U. S. C. 103, in order to get rid of the vague requirement of "invention." Such provision was in the Federico draft[12] and in H. R. 9133; but there was, too, a small faction in favor of leaving things as they were, with no statutory provision on the subject and the determination of the presence or absence of "invention" left entirely to the courts with no statutory guide or standard. The decision was otherwise.

Thirty persons were present on December 6-7, representing 24 organizations, with the participation of new House Committee Counsel L. James Harris, to whom had

11. 340 U. S. 147, 87 USPQ 303.

12. Section 23.

been assigned primary responsibility for matters relating to industrial property rights. Further revisions were agreed on, and questions left open were tackled a few days later at a meeting of committee counsel and drafters in New York, on December 18.

In January, 1951, representatives of the Departments of Justice, Navy, and Defense, including Captain George N. Robillard and T. Hayward Brown, met with Committee Counsel Federico and Rose on the problems they found in the Coordinating Committee's final product.

In March, the Patent, Trademark and Copyright section of the American Bar Association met in Washington for three days to discuss the bill. A transcript of its discussions and recommendations was sent to the House committee which had other letters and reports that were submitted directly. Messrs. Federico, Brown, Robillard, and Rose assisted the committee in sorting and considering all these suggestions. Mr. Bryson again made final decisions as to inclusions on the advice of his staff, augmented by these advisers.

On April 18, 1951, a new bill H. R. 3760 was introduced by Representative Bryson—H. R. 9133 being dead —and eventually hearings were announced for June. Before the hearings, Committee Counsel Harris expended considerable effort enlightening members of the full Judiciary Committee and seeking to interest them in the need for new laws. Many members, I am told, initially had little interest, experience, or desire to change the status quo.

The full Coordinating Committee, this time 30 persons representing 27 organizations, met for the last time, in Washington on May 22, to consider H. R. 3760, decided on a few changes to recommend in about 25 sections, voted to support the bill, and set up an Advisory Committee of about ten members to act at the forthcoming hearings. That small group gathered again on June 12, and the hearings were held for three days. They were published [13] in October, and they are now familiar legislative history. Mr. Zinn opened the hearings and explained the bill as part of a comprehensive program to revise and enact into positive law the titles of the U. S. code. Mr. Harris, as committee counsel, was in charge of arrangements for the hearings and was always present and available for consultation with the committee members—the usual arrangement. The Coordinating Committee chairman and representatives spoke with a united front on behalf of the patent bar, organized as never before or since. All who wished to have their say said it.

There ensued 11 months of what to the outside world seemed to be apparent quiet, during which, however, suggestions continued to come to the committee. The hearings were edited and published. Committee counsel studied them and discussed changes with individual Judiciary Committee members, the drafting group, and others. The duty of committee counsel is to inform the committee as to all comments and criticisms received. These were divided into categories according to type and importance.

At this point in the history, we reach the stage where the legislators actually function so as to express an "intent," or at least a choice, but proceedings are in the form of executive sessions of the subcommittee. What actually occurs is secret. It can be guessed at only by what comes out of the committee. "Ye shall know them by their fruits." [14] The bill, the hearings, the criticisms and comments that came later were first taken up in the private

13. Hearings on H. R. 3760 Before Subcommittee 3 of the House Committee on the Judiciary, 82d Cong., 1st Sess., ser. 9 (1951).

14. Matt. 7:16.

executive sessions of the subcommittee. The members, all lawyers, went over each section and decided what to do about it. This spread over many sessions, necessarily, considering the length of the patent act. In order to get the revision out before the session of Congress ended, Mr. Harris tells me that during this period he carried the draft into every subcommittee meeting, no matter what its purpose, and bit by bit each section was analyzed, discussed, and nursed to approval.

The next order of business was preparation of a committee report to accompany the bill from the Judiciary Committee to the House. This report is a 71-page pamphlet and contains ten pages of background and general description, the revision notes for each section,[15] the full text of all statutes repealed, parallel reference tables, etc. Reports do not write themselves. It was only natural that those who had most to do with writing the bill also should have had something to do with writing the report.[16] In fact, the report was drafted for the subcommittee, at its request, by Mr. Federico. Messrs. Ashton and Rich helped draft the "Revision Notes."

From the subcommittee, the bill and report went to the full Judiciary Committee, meeting in executive session, where Committee Counsel Harris presented it and was subjected to questioning. The subcommittee members were there, of course, and supported the bill. April 29, 1952, the full committee voted to approve it. This great historical event rated five lines in the *New York Times* the next day. The bill was ready to go to the House.

15. Reprinted in the USCA version of Title 35.

16. H. R. 1923, 82d Cong., 2d Sess. to accompany H. R. 7794, the latter being a new bill replacing H. R. 3760 and including numerous minor changes. The Senate report is substantially a copy of it except for mentioning a few minor Senate amendments, the principal one being the insertion in 35 U. S. C. 282(1) the words "or uninforceability."

On May 12, 1952, the bill, together with Report No. 1923, 82d Cong., 2d Sess., was submitted to the House. This report was on a bill entitled H. R.-7794—a new bill prepared to take the place of H. R. 3760 and to include the changes recommended in the latter by the subcommittee.

This ends the story of the writing of the bill. To go back now to the original thought—the "intent of Congress"—let me emphasize that members of the Congress wrote only a few words of the Patent Act. Committee counsel wrote certain sections and rearranged a few others. The Patent Act was written basically, however, by patent lawyers drawn from the Patent Office, from industry, from private practice, and from some government departments. They, in turn, drew upon the combined judgment of organizations of patent lawyers in a most remarkable way. They got the bill together, refined it, and presented it to the legislature to be enacted.

In presenting this specific episode, it is not intended to imply that to write laws in this way is unusual; rather it is believed to be the rule and not the exception. But it is doubtful that many laws receive such close scrutiny and careful attention of those most concerned as did the 1952 Act.

The Trademark Act of 1946, usually called the Lanham Act, was written in a similar way and was worked over by a coordinating committee. In fact, it was the example of that act which inspired Mr. Ashton to organize the Patent Act Coordinating Committee. For some strange reason, though Representative Bryson introduced all patent act bills and though he took an intense personal interest in and responsibility for their promotion, the new law never was referred to as the "Bryson Act."

The Enactment.

This story will be brought to a close by explaining the process of enacting this piece of legislation.

The naive are inclined to think of a Congress as composed of a House and a Senate, the members of which sit together and debate all laws which are being considered for passage. Sometimes they do. That is what gets into the newspapers. More often they do not.

The House of Representatives considered the patent bill, first of all, in its Subcommittee No. 4 of the Judiciary Committee. This group thought well enough of it to set it for hearings. The eight members of this subcommittee attended the hearings and inquired in great detail into every matter about which any substantial question was raised, eventually deciding as between opponents which side to support. It then reported the bill favorably to the full Judiciary Committee which, in turn, voted to report it favorably, with some changes, to the House of Representatives. While under committee consideration, every effort was made to compromise differences so as to remove as much controversy as possible about the bill and at the same time to preserve the substance. That is, such matters as mere changes in tone or wording and clarification of meaning.

Reported to the House of Representatives on May 12, the bill was put on the Consent Calendar [17] and passed on May 19. At the American Bar Association meeting, in the summer of 1962, in San Francisco, Mr. Crumpacker, a member of the House Subcommittee on Patents when this bill passed, recalled the circumstances as follows: [18]

> "A good 95% of the members of both bodies never knew that the legislation was under consideration, or that it had passed, let alone what it contained.

17. For an explanation of how the Consent Calendar works, see Zinn, "How Our Laws Are Made," at 10 (H. Doc. #136, U. S. Government Printing Office, Washington, D. C., 1961), an invaluable legislative manual.

18. "Symposium on Patents," *Summary of Proceedings, Section of Patents, Trademark and Copyright Law* (Chicago: American Bar Center, 1962), 141, 143.

> "In the House the bill went through on the Consent Calendar—along with, on the same day, dozens of other pieces of legislation. When it was reached on the calendar no questions were asked and no explanations were offered. There was not even an insertion in the record to explain the bill. The entire time consumed by the passage of the bill probably did not total 30 seconds. Only a handful of members—the members of the "Objectors' Committee" on the two sides of the aisle—were paying any attention to what was going on. How can the House, as a legislative body, be said to have had any 'intent' with respect to the bill?"

The bill then moved to the Senate where, again, it was approved by the Judiciary Committee of the Senate, accompanied by a Senate report—practically a duplicate of the House report—and was eventually taken up for passage on a Consent Calendar. There was a hitch there and a near miss which would be amusing if it had not so nearly defeated passage of meritorious legislation by a mere whim, also reported by Messrs. Crumpacker and Ashton at the San Francisco meeting mentioned above. The entire proceedings in the Senate, mostly procedural jockeying, on July 3-4 combined, do not occupy a full page in the *Congressional Record*.[19] Reporting on the exchange between Senators Saltonstall and McCarran, which has several times been quoted in court opinions, Mr. Crumpacker said,[20]

> ". . . this colloquy is almost entirely meaningless, it being merely an exchange of pleasantries by

19. S. Rep. No. 119 (1952) at 9226; S. Rep. No. 120 at 9534.

20. *Supra* note 18, at 145.

some senators having little, if any, familarity with the subject matter they were discussing." [21]

In short, there was no knowledgable debate on the bill in the Senate. The bill did pass on July 4.

The bill was so late in getting through the Senate that Mr. Harris personally carried it to the House floor where only by the narrowest margin did the House concur in four trifling Senate amendments. In the final moments of the session, the reading clerk was persuaded to include the bill

21. See *supra* note 19, at 9534. The reference is to the exchange cited, in part, in a few early opinions, rather unanalytically, between Senators Saltonstall and McCarran, the whole of which was:

"Mr. SALTONSTALL. Mr. President, will the Senator from Nevada tell us the purpose of the bill?

Mr. MCCARRAN. The bill would codify the patent laws of the United States. It is under the able guidance of the Senator from Wisconsin. (Mr. Wiley.)

Mr. SALTONSTALL. I am not a patent lawyer, but I know patents are a very technical subject. Does the bill change the law in any way or only codify the present patent laws?

Mr. MCCARRAN. It codifies the present patent laws. It passed the House, and it was approved by the Judiciary Committee of the Senate.

Mr. HENDRICKSON. Mr. President, as I recall, it was approved by the Judiciary Committee unanimously.

Mr. MCCARRAN. I think the Senator from New Jersey is correct.

Mr. President, I ask unanimous consent that a statement prepared by me may be inserted in the RECORD at this point.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:"

In that statement, Senator McCarran said, *inter alia*:

"In view of decisions of the Supreme Court and others as well as trial by practice and error there have been some changes in the law of patents as it now exists and some new terminology used. All these matters, as stated before, have been carefully gone over in hearings and the bill . . . represents, in the opinion of the committee, legislation of merit."

Any senator or representative who got as far as reading the title of the bill would see it was a bill "to revise and codify the laws."

by a sweating Mr. Harris standing at the Speaker's table. Messrs. Ashton, Federico, and others were waiting outside to see if he made it.

President Truman signed the bill on July 19, 1952, three years and one month after the first suggestion was thrown out that consideration might be given to studying the patent laws with a view to revising them.

Conclusion.

The foregoing will, it is hoped, cause you to pause and think when you hear or use the phrase "intent of Congress." Realistically, the "intent," with respect to the Patent Act of 1952, was the intent of a subcommittee to pass the bill prepared by the patent lawyers, as agreed to by codification counsel, committee counsel, and the members of the subcommittee. You need only compare the bill prepared by the Coordinating Committee with the law as enacted to see this. Presented to and approved by the full Judiciary Committee, the intent of the subcommittee which was charged with primary responsibility for both law revision and patent laws became the intent of the larger committee, not all of whose members were familiar with the details of the legislation. With this committee approval, the intent of the House of Representatives was to enact a law recommended to it by a responsible committee and in which the watchers of the Consent Calendar found nothing sufficiently controversial to give rise to objection or to require debate. Similarly in the Senate, that body relied on its committees and their recommendations, which committees, obviously, relied heavily on what took place in the House.

This is how it was done; and, it is submitted, if legislative intent is to be found anywhere in the legislative body, it is in the views expressed by committees as found in their hearings and reports. That one legislator, who

knows nothing of the details and who has only one vote, stands to ask one question of another legislator, who also knows nothing of the details and who gives a noncommittal answer, is no expression of "legislative intent." At most, it shows clearly the intent of not more than one or two men.[22]

By way of specific instance, one of the most sensitive spots in this piece of legislation was the subject of contributory infringement dealt with in Section 271.[23] After listening to and engaging in 24 printed pages of testimony on this difficult subject, Representative Rogers said:

> "I might ask one further question as to whether you think we have a very good chance of explaining all of this on the floor of Congress in trying to recodify the laws of patents?"

I hope I may be pardoned for quoting the next passage, since it mentions me; but on the question at hand—intent of Congress—I know of no more cogent statement on which to end. Again I quote the San Francisco speech of Mr. Crumpacker,[24] a congressman who actively participated in the hearings as a member of the patent subcommittee. He said:

> "When the courts, in seeking to interpret the language of the Act, go through the ritual of seeking to ascertain the 'intent of Congress' in adopting same, they would do well to look to the writings of these men—Federico, Rich, Harris, and the others—as they, far more than any member of the House or Senate, knew and understood what was intended by the language used."

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22. *Ibid.*

23. 35 U. S. C. 271 was § 231 of H. R. 3760, see *supra* note 13, at 150-175.

24. *Op. cit. supra* note 18.